

**Invitation to Tender
for
The External Quality Assessment
of the
Internal Audit Function
of the
Department of Agriculture, Fisheries and Food.**

Tenders must be returned to:

Paula Lynch
Internal Audit Unit
Department of Agriculture and Food
Agriculture House
Kildare Street
Dublin 2
Ireland

Tenders to be returned by:

12:00hrs on 2 September 2009

Opening of the tenders:

14:30hrs on 2 September 2009

Table of Contents

1. Introduction	3
2. Outline of Assignment in respect of which Tender is Sought.....	3
2.1 Background.....	3
2.2 Assignment Title	4
2.3 Scope	4
3. Required output	5
4. Service Levels and Contract Management	6
5. Cost and Fees.....	7
6. Issue of Tenders.....	7
7. Eligibility to Tender	8
8. Query Handling	8
9. Tender Timetable.....	9
10. Ownership of Work Product.....	9
11. Evaluation of Tenders and Award Criteria.....	10
12. Format of Tender	11
12.1 General	11
12.2 Tender Declaration and Checklist	14
13. Contract	16
14. Submission of Tender.....	17
15. Closing Dates.....	17
Appendix 1 - General Conditions.....	18
Appendix 2 – Summary schedule of fixed price proposed and proposed completion date	23
Appendix 3 - Internal Audit Charter and Charter of the Audit Committee.....	24
Appendix 4 - Declaration of Compliance with E.U. Council Directive 2004/18/EC	35

1. Introduction

In accordance with best practice as defined by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (Standards) and Guidelines, all audit activities are required to undergo an External Quality Assessment (EQA) at least once every 5 years. In compliance with this requirement, the Department of Agriculture, Fisheries and Food (hereafter referred to as the 'Department') wishes to carry out an external quality assessment of its internal audit function (see section 2 below). This document and accompanying appendices constitute an Invitation to Tender for the External Quality Assessment of the Department's Internal Audit Function. It outlines the requirements of the assignment, selection process and expected deliverables.

The contracting authority for this procurement is the Department of Agriculture, Fisheries and Food. The Department's Internal Audit Unit is managing the tender process. The successful firm will be required to furnish a final report to the Director of Internal Audit and Audit Committee. The Department will also require the appointed firm to make oral presentations to the Department and the Audit Committee in relation to the completed report.

2. Outline of Assignment in respect of which Tender is Sought

2.1 Background

Standard 1312 of the International Standards for the Professional Practice of Internal Auditing requires all audit activities to undergo an External Quality Assessment (EQA) at least once every 5 years. In compliance with this requirement, the Department of Agriculture, Fisheries and Food wishes to commission an external quality assessment of its Internal Audit Function.

The Internal Audit Function comprises the Internal Audit Unit (IAU) and the Audit Committee. The Internal Audit Unit also runs an EU Scrutiny Programme as well as a Structural Funds sample checks function. These activities will not be part of the external quality assessment. The internal audit activity within the Internal Audit Unit comprises 11 staff (1 Principal Officer/Director of Internal Audit, 2 Assistant Principal

Officers, 3 Higher Executive Officers and 5 Executive Officers). A proportion of the annual IT audit programme is outsourced. The Department's Audit Committee has 6 members (5 external and 1 internal) and the Director of Internal Audit reports to the Committee at their meetings which are held on a quarterly basis. An internal quality assessment of the IAU activity was completed in October, 2008.

2.2 Assignment Title

External Quality Assessment (EQA) of the Internal Audit Function of the Department of Agriculture, Fisheries and Food.

2.3 Scope

The scope of this assignment is to conduct *An External Quality Assessment of the Internal Audit Function of the Department of Agriculture, Fisheries and Food*. This will include an assessment of the current state and operation of the Internal Audit Function encompassing a review and assessment of:

- Conformity with best practice and the '*International Standards for the Professional Practice of Internal Auditing*' of the Institute of Internal Auditors.
- Compliance with the Internal Audit's Charter, procedures, and applicable legislative and regulatory requirements.
- The adequacy of the Department's Internal Audit Charter and Audit Committee Charter (copies are attached at Appendix 3 to this document)
- The independence of the internal audit function
- Adequacy and effectiveness of the reporting relationship with the Accounting Officer (Secretary General) of the Department.
- Adequacy and effectiveness of the reporting relationship between the Internal Audit Unit and the Audit Committee.
- IAU organisation structure and staffing.
- Range, scope, suitability and method of selection of assignments for inclusion in the audit programme.
- Audit procedures and methodologies used.
- Effectiveness of the audit process in highlighting systems and internal control weaknesses and in encouraging acceptance of audit recommendations.

- The adequacy and effectiveness of procedures in place for follow-up on the implementation of audit recommendations.
- The quality, relevance, added value and objectivity of audit reports
- Customer feedback and view of Internal Audit and perceived value added (if any) by Internal Audit to the Department.
- The balance between outsourced and in-house audits.
- The capacity of the Internal Audit Unit to effectively manage outsourced audits.
- Review of the outsourced audits covering adequacy of Service Level Agreement (SLA), compliance with SLA, and management of SLA.
- Training/Induction provided to new members and on-going training provided to existing members of the Internal Audit Unit.
- The benchmarking of the Internal Audit Function against IIA standards/best practice.
- Recommendations (if any) for improving the Internal Audit Function.

3. Required output

It is required that, on completion of the EQA, the appointed firm will furnish a report containing the successful tenderer's assessment of the current state of the Internal Audit Function covering all of the requirements outlined in the scope at paragraph 2.3 above.

The report should contain:

- An opinion on the effectiveness of internal audit activity in providing assurance services to the Department of Agriculture, Fisheries and Food and other interested parties.
- An opinion on conformance of the Internal Audit Function with the best practice and with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors.
- Recommendations for strengthening and improving the operation and effectiveness of the Internal Audit Function
- Any other matters which the consultants performing this EQA consider relevant.

The Department will require the appointed firm to make oral presentations to the Department and to the Audit Committee in relation to the completed report.

The final report on the outcome of this EQA is required within two months of the date of commencement of work by the successful tenderer and no later than 11th December, 2009.

Note: Standard 1312 of the '*International Standards for the Professional Practice of Internal Auditing*' states that "*From 1 January 2007: External assessments should be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The potential need for more frequent external assessments as well as the qualifications and independence of the external reviewer or review team, including any potential conflict of interest, should be discussed by the CAE with the Board. Such discussions should also consider the size, complexity and industry of the organization in relation to the experience of the reviewer or review team*". Accordingly **the Department requires that firms only nominate senior personnel with direct and proven expertise and experience that conforms to this standard.**

4. Service Levels and Contract Management

The selected supplier will be required to :

- Agree a contract with the Department for the delivery of the required service.
- Assign an assignment partner to manage the Department's requirements relating to the Services as set out in this Request for Tender and specified in the contract. The Assignment Partner will have overall responsibility for the delivery of the programme of work to the Department and will be required to maintain regular contact with the Head of Internal Audit.
- The Assignment Partner will be responsible for the quality of the work carried out by his/her company and ensuring that work is completed within the timescales agreed.

5. Cost and Fees

The Department of Agriculture, Fisheries and Food requires a **fixed cost contract**. The applicable rate of VAT and any other taxes or duties must be specified and all costs must be quoted in Euro. In their responses tenderers should also indicate how out-of-pocket expenses will be charged and highlight any other charges of whatever nature that may be levied.

Tenderers should note that it is the responsibility of the tendering organisation to ensure that all costs associated with the services they propose arising from this Invitation to Tender are included in the Schedule of Costs. Tenderers should specifically note that any costs not included in the Schedule of Costs will be deemed to have been waived.

The Department will not be responsible for any errors in the calculation of the costs provided in the Invitation to Tender. It is the responsibility of tenderers to ensure that the costs quoted are correct and calculated properly.

Confirmation is also required from the tenderer that the tender remains valid for 90 days after the closing date for receipt of tenders. Fees quoted in this tender cannot be increased during the currency of the contract. Similarly, terms and conditions cannot be altered. The Department reserves the right to withhold payment where a contractor has failed to meet contractual obligations in relation to the delivery of services to an acceptable level of quality.

Whereas this Invitation to Tender is issued in good faith, no legitimate expectation shall arise therefrom and the Department shall not be obliged to award a contract or proceed to further stages in the procurement process.

6. Issue of Tenders

Copies of the Invitation to Tender are available for download on the Irish Government procurement portal at www.e-tenders.gov.ie and from Ms Paula Lynch, Internal Audit Unit, Department of Agriculture, Fisheries and Food, Floor 6W, Agriculture House, Kildare Street, Dublin, 2. (Telephone+353-1-6072164 and e-mail Paula.Lynch@agriculture.gov.ie)

Prospective tenderers, in requesting the tender documentation directly from Ms Lynch must provide an email address to which all responses and requests by them for clarifications will be issued. Where the tender documents are downloaded from the procurement portal www.e-tenders.gov.ie responses to clarifications will be posted to the email address provided on registration with the portal.

7. Eligibility to Tender

In order to ensure that the assessment is independent, any firm, organization or persons currently contracted or contracted within the last 3 years (2009, 2008, 2007) to provide Internal Audit Services and/or External/Accreditation Audit Services in the Department of Agriculture, Fisheries and Food, are excluded from this competition.

Tenderers to whom any of the circumstances listed in *Article 29 of EU Council Directive 92/50/EEC* (Coordinating procedures for the award of public service contracts) apply will be excluded from this competition.

8. Query Handling

Tenderers are required to nominate a principal point of contact for dealing with any queries arising from this Invitation to Tender and any subsequent contract.

Any requests for clarification in relation to this document and any of the requirements specified therein must be addressed in writing by letter or e-mail to:

Paula Lynch
Internal Audit Unit
Department of Agriculture and Food
Agriculture House
Kildare Street
Dublin 2
Ireland

Telephone + 353-1-6072164
e-mail Paula.Lynch@agriculture.gov.ie

All requests for clarification in relation to this document must be received by Ms Lynch in writing or by email prior to **5 PM (LOCAL TIME) ON 10 AUGUST, 2009**. ***REQUESTS RECEIVED AFTER THIS DATE WILL NOT BE RESPONDED TO.***

Prospective tenderers should specifically note that where a request for clarification is received, the details of the request and any responses thereto will be provided to all tenderers who request the tender document. The prospective tenderer who raises the request for clarification will not however be identified in clarification responses issued.

9. Tender Timetable

The timetable in relation to this tender process is as follows:

Latest date and time for receipt of clarification questions: 10 August, 2009

Clarification replies issued anticipated: 19 August, 2009

Latest date and time for receipt of tender response:

12 NOON LOCAL TIME ON WEDNESDAY 2nd SEPTEMBER 2007

Contract commencement (*anticipated*). October, 2009

Contract completed (*anticipated*.) December, 2009

Note if following a review of the tenders received no clarification questions or presentations are required, commencement of contract may be brought forward.

10. Ownership of Work Product

The Intellectual Property Rights (including copyright) in the Work Product, i.e working papers, file or any report documents or materials, records of files produced or held by the successful tenderer in the course of providing services to the Department shall vest exclusively in the Department and will be provided to the Department during the course of the Agreement entered into. At the end of the agreement, the successful tenderer will provide written confirmation to the Department that all documentation, records and materials which are the property of the Department have been provided to the

Department. The Department shall be entitled to reproduce, without restriction, such part of the Work Product as may be required by it.

All documents, records and other materials provided by the Department to the successful tenderer for the purposes of performing the tenderer's obligations under the agreement entered into, shall remain the property of the Department and shall be returned to the Department on demand, and the successful tenderer shall provide confirmation that all such materials have been returned to the Department.

11. Evaluation of Tenders and Award Criteria

Tenders will be evaluated solely on the quality of the content of the proposal. In the event that Tenderers have previously been involved in a project in the Department, they should not assume that the Department is aware of their ability to carry out the work set out in their proposal. No recognition will be given to information previously submitted.

The onus is on Tenderers to ensure that their proposals are complete in every respect. Tenderers should note that a response which fails to meet or address any of the requirements laid down in this Invitation to Tender will be interpreted by the Department as failing to comply with the mandatory conditions and shall be rejected and eliminated from the competition.

During the evaluation period, clarifications may be sought by the Department from tenderers. Tenderers will be required to provide such clarification in writing. Responses to requests for clarification may not materially change elements of the tenders submitted. No unsolicited communications from tenderers will be entertained during the evaluation period.

Tenders will be initially evaluated by reference to the following qualification criteria:

- Completeness of tender documentation, and
- Stated ability of the tenderer to meet all the requirements specified in section 3 above of this document within the specified timeframe.

Representatives of the Department will select the successful tenderer. The contract will be awarded to the most economically advantageous tender of those meeting the

specifications set out above, and not otherwise validly excluded, on the basis of the following award criteria [scored from 100 marks weighted as indicated]:

Quality of Service Offered: **70**

Allocated as follows:

- Overall approach to the management and delivery of the services requested and time frame for delivery..... 50
- The level of experience and expertise of the proposed team members relevant to the contract 20

Cost: **30**

TOTAL: **100**

The Department may shortlist tenders for interview on the basis of the written tenders before taking a final decision on tender selection.

12. Format of Tender

12.1 General

The Department of Agriculture, Fisheries and Food require that prospective tenderers must provide a response to the requirements outlined in sections 2 to 7 of this document by submitting a **Full Proposal** structured in the following format:

SECTION	INFORMATION WHICH MUST BE PROVIDED
1. EXECUTIVE SUMMARY	<p>(a) A brief summary of the tenderer and his/their experience both in providing internal audit services and performing the type of quality assessment review required.</p> <p>(b) A brief summary of the approach they propose to adopt to carrying out the required assessment and the merits and strengths of their proposal.</p> <p>(c) A brief summary of the team proposed to perform the assessment and their previous and relevant experience in internal audit and performing similar quality reviews.</p>

SECTION	INFORMATION WHICH MUST BE PROVIDED
	(d) A summary of the costs proposed.
2. TENDER CONTRACT DETAILS	<p>(a) Name, address, telephone, fax number and email address of the tenderer. Name of the person within the tendering organisation dealing with the response.</p> <p>(b) Name, address, telephone, fax number and email address of any third parties involved in the tender.</p> <p>(c) Name of the person within any third party organisation dealing with the matter.</p> <p>(d) Identification of prime contractor/party who will carry overall responsibility for the project.</p> <p>(e) Name of person within the prime contractor organisation who will assume final and overall responsibility.</p>
3. SERVICE PROPOSAL	<p>In this section, the bidder should detail how they propose to carry out the required</p> <p>(1) quality assessment of the Department's Internal Audit Function and</p> <p>This should include</p> <p>(a) details of each stage of review to include;</p> <ul style="list-style-type: none"> o items to be covered in each stage, o actions to be taken, o timeframe for completion of each stage and o deliverable if any at the completion of each stage. <p>(b) Methodologies and tools to be used in the course of the review.</p> <p>(c) Quality assurance and review procedures. The Tenderer must include their risk management and quality assurance processes. The project management methodology proposed and procedures for monitoring, controlling and reviewing the project must also be outlined.</p> <p>(d) Overall time frame for the completion of the EQA and issue of report.</p>
4. COSTS	In this section, the bidder should supply details of the cost of their

SECTION	INFORMATION WHICH MUST BE PROVIDED
	<p>proposal. In this regard it should be noted that the Department is <i>seeking a fixed price fee</i>. All costs must be quoted in EURO (€), net of VAT. The overall price must be the best and final offer for the award of contract.</p> <p>In addition to providing details of their fixed price fee, bidders should provide details of :</p> <ul style="list-style-type: none"> ○ The applicable rate of VAT and any other duties or taxes which would be incurred must be itemised. Where different rates of VAT or other taxes apply to different services, this should be clearly indicated.
<p>5. RELEVANT COMPANY EXPERIENCE AND REFERENCE SITES</p>	<p>In this section the tenderer must provide details of their experience of providing internal audit services together with previous relevant experience in performing similar quality assessments of internal audit functions and audit committees effectiveness. Reference sites where similar work was carried out including relevant contact name and contact details should also be supplied.</p>
<p>6. PROPOSED TEAM MEMBERS</p>	<p>In this section, the tenderer should describe the skills and relevant experience and expertise of the personnel it is proposed to assign to this work. Tenderers must provide details of the personnel (with CV for each member with specific reference to their relevant qualifications, expertise, experience and length of same) and resources to be devoted to the task. Tenderers must give a guarantee that any replacement, during the course of the project, will be at least of equal expertise and experience and that any such replacement will be agreed, in advance, with the Department.</p>
<p>7. FINANCIAL STANDING</p>	<p>Tenderers must provide the following financial information to demonstrate their financial and economic standing:</p> <ul style="list-style-type: none"> ○ presentation of the latest audited accounts or extracts there from, where publication of the accounts is required under company law in the country in which the service provider is established or <i>where audited accounts are not required to be</i>

SECTION	INFORMATION WHICH MUST BE PROVIDED
	<p><i>published (partnerships) alternative information which would confirm their financial and economic standing in respect of the last 3 years.</i></p> <ul style="list-style-type: none"> ○ Appropriate statements from banks together with evidence of the tenderers public and professional indemnity insurance. ○ Tax Clearance Certificate
<p>8. TENDER DECLARATION FORM AND OTHER DECLARATIONS AND INFORMATION REQUIRED</p>	<p>Completed declaration signed by authorised officer of company confirming that they have read and agreed to the conditions of tender and standard contract conditions and are in a position to provide full range of services required. This form must be accompanied by the following completed declarations and documents:</p> <ul style="list-style-type: none"> ○ Freedom of Information Declaration. ○ Conflict of Interest Declaration. ○ Safety Statement for company or confirmation that if successful, tenderer is in position to supply required safety statement. ○ Evidence of Public and Professional Indemnity Insurance. ○ Tax Clearance Certificate or confirmation that if successful, tenderer is in position to supply TCC. ○ Written confirmation that none of the circumstances listed in paragraphs 1 & 2 of Article 45 of the EU Council Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts apply (Appendix 4).

12.2 Tender Declaration and Checklist

All tenderers must complete and sign the tender declaration form provided below. Failure to complete this declaration will result in the tenderer being excluded from the tender process.

TENDER DECLARATION
TENDER FOR THE EQA OF THE INTERNAL AUDIT FUNCTION OF
THE DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD
TENDER NUMBER IAU 1/2009

I confirm that I am a(INSERT POSITION IN COMPANY HERE)..... in
.....(INSERT NAME OF COMPANY HERE).....
..... and am fully authorised to submit this bid on behalf of
.....(INSERT NAME OF COMPANY HERE)
.....

I further confirm that the information provided in this tender response is to the best of my knowledge correct and that(INSERT NAME OF COMPANY HERE)..... can provide the full range of services required.

I confirm that I have fully read the Invitation to Tender and in particular the conditions of tender and standard conditions which will be included in any contract awarded and am fully agreeable to the said conditions without exception.

I confirm that none of the circumstances set out in Article 45 of EU Directive 2004/18/EC apply to(INSERT NAME OF COMPANY HERE)..... or any DIRECTOR OR PARTNER OF THE COMPANY and that(INSERT NAME OF COMPANY HERE)..... is therefore not excluded from participation in this tender process under aforesaid Article 45.

I confirm that in accordance with the conditions of the tender the following information has been provided in the Tender Response.

1. Tender Response in format and structure required by Section 8.
2. Freedom of Information Declaration.
3. Conflict of Interest Declaration.
4. Registerable Interest Declaration.

5. Financial and Tax Compliance Information in relation to
.....(INSERT NAME OF COMPANY HERE).....
.....'s financial and economic standing.
6. Public liability, Professional Indemnity and Insurance Details.
7. Written confirmation that none of the circumstances listed in paragraphs 1 & 2 of Article 45 of the EU Council Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts apply (Appendix 4).

I can also confirm that if successful(INSERT NAME OF COMPANY HERE)..... can provide both a safety statement showing how the safety health and welfare of their employees is being managed and a valid Tax Clearance Certificate for the company.

I confirm that costs set out in this Tender Response represent our best and final offer.

I understand and accept that the provision of inaccurate or misleading information in this declaration may lead to my organisation/company being excluded from participation in this or in future tenders.

Signed _____

Dated _____

13. Contract

The firm of consultants appointed will be required to enter into a formal written contract, including a confidentiality agreement with the Department, in accordance with terms to be laid down by the Department and which contain terms outlined in this Invitation to Tender as a specification of services to be performed by the consultants. No commitment of any kind, contractual or otherwise, will exist unless or until the Department has executed a formal contract. The Department reserves the right to

withhold payment under the terms of the contract where a contractor has failed to meet contractual obligations in relation to the delivery of services to an acceptable level of quality.

14. Submission of Tender

Five (5) printed copies of the tender (along with one electronic copy of the completed tender in either Microsoft Word 2000 or Adobe Acrobat PDF formats) should be submitted in a sealed envelope by registered post or recorded delivery, clearly marked externally '**Internal Audit Unit (External Quality Assessment) Tender**' and addressed to:

Paula Lynch,
Internal Audit Unit 6W,
Department of Agriculture, Fisheries and Food,
Agriculture House,
Kildare St,
Dublin 2,
Ireland.

The name and address of the applicant should also be clearly marked on the front of the envelope.

One hardcopy must be marked as the **primary** copy.

15. Closing Dates

The deadline for receipt of tenders is **12 noon on Wednesday 2nd September, 2009**. Proposals that are received after this time will not be considered and will be returned unopened to the applicant. Faxed or e-mail copies of proposals are not acceptable.

Appendix 1 - General Conditions

1. Successful Tenderer

The successful tenderer will be engaged by the Department of Agriculture, Fisheries and Food and payments to the successful tenderer will be issued from the Department.

2. Confidentiality

The successful tenderer shall treat the details of all documents supplied to him in connection with this assignment as private and confidential.

3. Right of Amendment

In the unlikely event that any additions or amendments to the assignment are deemed necessary prior to the date of the tender submission, these will be issued to the applicants in the form of supplementary documents and will form part of the terms of reference for the subsequent audit by the successful tenderer.

4. Reporting Arrangements

The arrangements for submitting reports to the Director of Internal Audit and Audit Committee will be agreed in advance. All draft reports are considered by the Director of Internal Audit and Audit Committee of the Department and the successful tenderer may be required to address issues raised by the Director or the Audit Committee before completing the report. The successful tenderer will also make themselves available post fieldwork review, to meet and discuss the review work if required to do so by the Department. The Department will have access to all working papers following completion of the review work and the successful tenderer will furnish copies of all working papers to the Department if requested to do so. The Department will require the appointed firm to make oral presentations to the Department and to the Audit Committee in relation to the completed report.

5. Additional Work

If during the course of this appointment, the successful tenderer is directed by the Department of Agriculture, Fisheries and Food to carry out additional work that is beyond the scope of work contained in this assignment, the successful tenderer shall

submit a quotation for that work, based on the original schedule of costs. If this quotation is deemed reasonable, the request to carry out the work will be issued by the Department.

6. Acceptance of Tender

The Department of Agriculture, Fisheries and Food reserves the right not to award contract(s) or to award contract(s) for part or all of the tender as presented.

7. Nominated Personnel

The applicants should as part of their tender nominate personnel from their organisation to work on the project. Sustained absence from the team of personnel nominated for this project will be deemed to be grounds for the termination of the contract.

Should a consortium or grouping be formed to carry out this assignment, the Department reserves the right to determine the composition of any such consortium or grouping. If the successful candidate is a consortium, the Department will enter into a contract with the lead company in any such consortium. The Department will not act as an arbitrator between members of project consortia. If consortia submit proposals they must appoint a prime contractor. The prime contractor will assume overall responsibility for delivery of the assignment and all contact will be between the Department and the prime contractor.

8. Arbitration

Any irreconcilable dispute arising during the appointment as successful tenderer shall be referred to arbitration to a person to be mutually agreed upon, or, failing agreement, in accordance with the Arbitration Act, 1954 or any statutory re-enactment thereof for the time being in force.

9. Indemnification

Before commencement of appointment, the successful tenderer shall indemnify the Department of Agriculture, Fisheries and Food from any claims by third parties for injuries to them or their property and by the auditors' employees arising out of work done or in progress in accordance with this brief.

10. Termination of Contract

Either party may, at any time during the contract, terminate it by giving one month's notice in writing. However, in a situation where the work being undertaken by the appointed organisation(s) is found to be unsatisfactory, the Department may terminate the contract by giving, in writing, ten (10) working days notice. The Department will only be liable for time costs incurred up to the date of termination. No liability will attach to the Department for any balance of time remaining pursuant to this agreement.

11. Intellectual Property

Any concept, guidelines or other material developed during the contract will be considered the property of the Department of Agriculture, Fisheries and Food and may be used by the Department at any time.

12. Legal Status

The contract shall be considered as a contract made in Ireland, according to Irish Law and subject to the exclusive jurisdiction of the Irish Courts.

13. Conflict of Interest

The tenderer shall provide, as part of the response to this invitation to tender and whenever it arises during this assignment, a clear statement as to any potential conflict of interest in relation to the assignment. The Department reserves the right to terminate any consultancy engagement without liability in the event of failure to comply with this disclosure requirement.

14. Freedom of Information Acts 1997 & 2003

Tenderers are advised that the Department undertakes to use its best endeavours to hold confidential, any information provided by tenderers subject to the Department's obligations under law, including the Freedom of Information Acts (FOI), 1997 and 2003. Should the tenderer wish that any of the information supplied by him/her in this tender should not be disclosed because of its sensitivity, he/she should, when providing the information, identify the same and specify the reasons for its sensitivity. The

Department will consult with the tenderer about this sensitive information before making a decision on any Freedom of Information request received.

If potential tenderers consider that none of the information supplied by them is commercially sensitive, they should make a statement to that effect. Such information may be released in response to an FOI request.

15. Tax Clearance Certificate

The successful tenderer and all sub-contractors (domestic or otherwise) appointed by the successful tenderer must be able to produce for inspection a valid tax clearance certificate, or in the case of a resident outside the State, a statement from the Revenue Commissioners as to the suitability for appointment on tax grounds. The successful tenderer and all sub-contractors (domestic or otherwise) shall continue to hold, in good standing, current issues of all such certificates for the duration of the appointment.

16. Withholding Tax Requirements

Under the Finance Act, 1987, a withholding tax must be deducted from payment for professional services. This tax, which is currently a rate of 20%, will be deducted from payments made to the successful tenderer in respect of the successful tenderer's work and will be remitted to the Revenue Commissioners.

17. Insurance Requirements

The successful candidate will be required to produce evidence of adequate professional indemnity insurance before the contract will be awarded.

18. Monitoring Procedure

A monitoring procedure will be put in place with the successful consultants to ensure that the project does not over run, either in terms of cost or length of time, and that the quality of the project is satisfactory and maintained at all times.

19. Costs Incurred by Candidates

The Department of Agriculture, Fisheries and Food will not be liable in respect of any costs incurred by tenderers in the preparation of tenders or any associated work in the context of the evaluation by the Department of such tenders.

Appendix 2 – Summary schedule of fixed price proposed and proposed completion date

Review Reference	Description	Fixed Price Proposed €	Latest date for submission of report	Proposed date for submission of report

Appendix 3 - Internal Audit Charter and Charter of the Audit Committee

Charter of the Internal Audit Unit

Department of Agriculture, Fisheries and Food

April 2007

Department Policy:

As outlined in the Department's Statement of Strategy 2005–2007, the Department is committed to achieving the highest standards of corporate and financial management and accountability in all its activities. The Department will do this by:

- Operating to the highest standards of financial management, including procurement and revenue collection, to ensure full compliance with EU and national financial, audit and control requirements,
- Continuing to identify the key risks facing the Department through the operation of a comprehensive enterprise risk management programme, and
- Operating in accordance with best practice audit procedures overseen by an Audit Committee whose role it is to advise on the operation of the internal audit function.

One of the key targets of the Department's annual output statement is to maintain high standards of financial management as verified by reports of monitoring authorities (Audit Committee, C&AG, Commission, Court of Auditors) and level of EU disallowances compared to other member states (target of bottom quartile of member states). To this end it is the policy of the Department to maintain and support a quality internal audit function.

Internal Audit Unit Mission Statement:

To bring a systematic, disciplined approach to the evaluation and improvement of controls in the Department in accordance with best practice of corporate governance. The Unit must also carry out an audit programme in accordance with a number of EU Regulations in respect of EU Funds. In addition the Unit will provide all necessary support to the Department's Audit Committee.

Authority:

The Department's Internal Audit Unit derives its authority from the Secretary General in his capacity as Accounting Officer, to whom the Director of Internal Audit has the right of direct access. The Internal Audit Unit has free and unrestricted access, in the course of its audit work, to all records, reports, IT systems, personnel and assets of the Department. The Internal Audit Unit is also entitled to request and receive all the information and explanations it requires for the proper performance of its duties.

Role and Responsibilities:

The primary role of the Internal Audit Unit is to give assurance to the Secretary General, the Audit Committee and senior management as to the adequacy of the

Department's internal control systems. The Internal Audit Unit will advise line managers on the operation of internal controls, including in some instances where systems are under development. The Internal Audit Unit also has separate responsibilities under certain EU Regulations and these are outlined separately in the Charter.

Responsibility for internal control, including the prevention and detection of fraud, rests with line managers who must ensure that appropriate and adequate arrangements exist within their own area of responsibility. Responsibility for the implementation of audit recommendations also rests with the relevant line management. Should the Internal Audit Unit, during the course of its work, discover evidence of fraud it will immediately bring this to the attention of senior management. The Internal Audit Unit may also, at the request of management and with the agreement of the Director of Internal Audit, facilitate the Department in specific fraud investigation work.

Independence:

The Internal Audit Unit will not engage in line functions in order to preserve its independence, which is essential in its provision of impartial advice to management. Where the Internal Audit Unit reviews systems under development and gives advice on appropriate controls this does not prejudice its right to subsequently audit such systems.

Audit Methodology:

The Internal Audit Unit will produce an annual work plan for all the areas under its remit. The Plan will be agreed by the Audit Committee and will be approved by the Management Advisory Committee (MAC). Audit work will be carried out in accordance with the standards and guidelines issued by the Department of Finance and having regard to best practice of organisations such as the Institute of Internal Auditors and the Information Systems Audit and Control Association. The work of the Internal Audit Unit will also be conducted in accordance with the relevant EU Regulatory frameworks as described separately in the Charter. In carrying out its duties the Internal Audit Unit will work constructively with management and staff. Draft audit reports will issue to management for response and these responses will be incorporated in the report. Both the relevant MAC member and the Director of Internal Audit will then sign off internal audit reports, at which stage the report will be considered final. It is at this stage that the report is considered as final and will then be issued to the senior management of the area being audited, to the Office of the Comptroller and Auditor General and, where applicable, to the relevant EU Commission services, the Certifying Body and the Court of Auditors. It is very important that audit reports issue promptly and that management comments and sign off are completed within the deadlines prescribed. Where fundamental unresolved differences arise in the course of an audit the final report will reflect this position and the MAC and Audit Committee will be informed so that the situation can be resolved.

Reporting Arrangements:

The Director of Internal Audit shall report regularly to the MAC and also on a quarterly basis to the Audit Committee. This report shall include all aspects of the Unit's work and key findings of the work undertaken, as well as indicating progress against the annual plan. Comprehensive management information and performance indicators will also be presented, including timescales involved in the progress of all audit work. In addition the Director of Internal Audit will meet separately, at least once a year, with the non-executive members of the Audit Committee.

External Audit:

The Department is subject to a considerable amount of external audit from audit bodies such as the Comptroller and Auditor General, the EU Commission, the Court of Auditors and the Certifying Body, appointed to carry out an annual audit on the Department's EU Accounts. The Internal Audit Unit will co-operate with these auditors and, where relevant, issue these auditors with copies of completed internal audit reports. If the external auditors choose to place reliance on the work of the Internal Audit Unit then this should lead to a reduction in audit duplication.

EU Regulatory Requirements:

The Department operates under a very comprehensive EU Regulatory regime. Within this regime there are a number of Regulations that have a direct impact on the work of the Internal Audit Unit. There are currently three Regulations that have implications for Internal Audit and these are as follows:

- Commission Regulation (EC) No 885/2006. This Regulation lays down detailed rules regarding accreditation of paying agencies and other bodies and the clearance of accounts of the EAGF and the EAFRD. Failure to comply with this Regulation could lead to the Department losing its status as an Accredited Paying Agency or to the imposition of significant financial penalties. This Regulation requires, inter alia, that Paying Agencies must have an internal audit service to ensure that the agency's system of internal control operates effectively. It also states that the service shall be independent of the agency's other departments and shall report to the agency's director.
- Council Regulation (EEC) No 4045/89. This Regulation, also known as Scrutiny, requires all EU Guarantee Paying Agencies to carry out a programme of ex post controls on organisations in receipt of EU funding, together with verification of the milk quota regime. This programme of work is to be carried out by a dedicated team of staff from the Internal Audit Unit. The Revenue Commissioners will conduct scrutiny work on export refunds. Completed

scrutiny reports will be made available by the Internal Audit Unit to the relevant services in the Department. All relevant provisions of the Regulation relating to the submission of annual plans, risk analysis and annual reports to the EU Commission will be submitted to the Audit Committee for their approval.

- Commission Regulation (EC) No. 438/2001. This Regulation relates to financial management of the Structural Funds. The Director of Internal Audit has responsibility for the independent certification of the final EAGGF Guidance claims under these Regulations. In order to make this declaration, a programme of systems audits and expenditure verifications must be carried out over the lifetime of the relevant Funds, by a dedicated team of staff from the Internal Audit Unit.

The Internal Audit Unit's work will be guided by these and other Regulations that may be issued in the future.

Approved by:

Director of Internal Audit

Secretary General, Department of Agriculture and Food

Chairman, Department of Agriculture and Food Audit Committee

Charter

Audit Committee of the Department of Agriculture and Food

This document sets out the Charter of the Audit Committee as established under the European Communities (Common Agricultural Policy) (Scrutiny of Transactions) Regulations, 1994, (S.I. No. 274 of 1994), hereafter called the “National Regulations.”

April 2007

Constitution

1. The Audit Committee is established to advise the Minister for Agriculture and Food on the internal audit policies and the management of risk, appropriate to the functioning of the Department of Agriculture and Food.
2. **The Audit Committee has three main roles:**
 - To advise on the operation of the internal audit function within the Department of Agriculture and Food (DAF).
 - To monitor the application of Council Regulation (EEC) No. 4045/89, as amended, hereafter called the “Council Regulation”
 - To advise on best practice for risk management.
3. The Audit Committee is constituted as a body corporate with perpetual succession, an official seal and power to sue and to be sued in its corporate name. In the performance of its designated functions, the Committee is authorised to be a self-regulatory body in matters relating to its procedure and business which are not referred to in the National Regulations.
4. The authority of the Audit Committee in relation to the Council Regulation function is derived from the National Regulations in which the Minister for Agriculture and Food (hereafter called “the Minister”), exercises the powers conferred on the office by Section 3 of the European Communities Act, 1972. In addition to its functions under the National Regulations, the Minister has requested the Committee to exercise an advisory role in relation to the internal audit function within the DAF. The duties required by the Minister of the Committee in relation to this role are set out in this Charter.

Duties

5. Internal Audit Function

The Audit Committee is responsible for advising on best practice in the DAF both in relation to risk management and financial control. The role will also include:

- Reviewing and advising on the proposed programme of work for internal audit within the Department.
- Approving and periodically reviewing, a charter for internal audit which clearly defines the purpose, authority, roles and responsibilities and reporting relationships of the Audit Committee, Internal Audit Unit and relevant management of the Department.

- Assessing the results of completed internal audit reports, evaluating the effectiveness of internal control and advising the Minister of its conclusions thereon.
- Advising the Minister on the effectiveness of the internal audit function.
- Monitoring the implementation of the audit plan.
- Requesting special reports from internal audit as considered appropriate.
- Assessing the implementation of agreed corrective actions by management having regard to follow up audits.
- Fostering the development of best practice in the internal audit function.

6. **Scrutiny Function**

The Audit Committee, as the designated ‘Special Department’, shall oversee and monitor:

- The preparation and submission to the Commission of an annual risk assessment methodology, work plan and annual report, in accordance with the requirements of the Council Regulation.
- The progress of the annual work plan.
- The results of completed scrutinies.
- The provision of appropriate training programmes for scrutiny officers.

7. **Risk Management**

The Audit Committee shall review and monitor the operation of the Department’s Risk Management framework and programme and advise the Minister and Secretary General on the extent and effectiveness of this process.

General

8. The Audit Committee:

- Has no executive role and accordingly is not responsible for any executive functions.
- Reports to both the Minister and the Secretary General.
- Shall advise on whether adequate resources and skills are available for the internal audit and scrutiny function of the DAF and shall make recommendations to the Minister on the allocation of resources where it considers this desirable.
- Members shall be indemnified by the Minister from legal actions taken against them in performance of their duties as members of the Committee.

Authority

9. The Audit Committee is authorised:

- To seek such information or documents, which, in the Committee's opinion, are relevant to matters falling within its terms of reference.
- To do such things as arise out of or are consequential on the functions assigned to it under the National Regulations or under the Council Regulation.
- To meet with external auditors or consultants operating within DAF.

In addition, the Committee is authorised:

- To provide itself with a seal which is to be authenticated by the signature of the Chairman of the Committee or of some other Member thereof authorised by the Committee to act in that behalf and the signature of another member of the Committee.
- To sue in its corporate name, and with the consent of the Minister to acquire and hold land or any other property, and to dispose of any such land or other property.
- To request funding from the Minister to cover expenditure normally incurred in the performance of its duties.

Independence

10. The Audit Committee shall be independent in the performance of its functions and the Committee and its members shall not be subject to the direction of any other person in the performance of their duties in DAF.
11. The Audit Committee, as a body corporate, is prohibited from engaging in any activity which would normally be subject to audit review, in particular, the development and/or implementation of new or revised procedures.

Composition/Membership

12. The Audit Committee shall consist of a Chairman and not less than four ordinary members who shall be appointed by the Minister by virtue of their experience in fields of expertise relevant to the functions of the Committee.
13. A member of the Audit Committee shall be appointed for such term (not exceeding three years) as shall be specified by the Minister when appointing him/her and on such terms and conditions as the Minister determines, and a member whose term of office expires shall be eligible for re-appointment.
14. A member of the Audit Committee shall be paid such remuneration, if any, and such allowances for expenses, if any, as the Minister with the consent of the Minister for Finance, determines.
15. A member of the Audit Committee may resign from office by letter addressed to the Minister.

16. The Minister may at any time remove from office a member of the Audit Committee if he/she has committed stated misbehaviour or if his/her removal is necessary for the effective performance by the Audit Committee of its functions.

Finance

17. The Minister may, from time to time, with the consent of the Minister for Finance, advance to the Audit Committee out of monies provided by the Oireachtas, such sums as the Minister may determine for the purposes of expenditure by the Audit Committee in the performance of its functions.
18. The accounting arrangements for the Audit Committee shall be as follows:
 - Transactions shall be recorded through the normal accounting procedures adopted by DAF.
 - Books and records and financial statements shall be subject to normal departmental accounting controls and audit procedures.
 - Accounting and reporting procedures shall be drawn up and approved by the Committee.

Reporting

19. The Audit Committee shall report to the Minister, on an annual basis, as soon as possible after the end of a calendar year and, in any event, no later than the end of March. Reporting shall be in the form of one overall written report from the Chairman of the Committee covering both the internal audit and scrutiny functions. The report shall be approved by the Committee. There will be an annual meeting with the Minister and Secretary General to discuss the report.
20. The Chairman of the Audit Committee shall have a right of access to the Minister and Secretary General to report any special issues that arise.
21. The Audit Committee shall have a right of access to reports prepared in the course of the annual work programme for internal audit and scrutiny.
22. The Audit Committee shall respond to any special reporting requests, on matters relevant to the Committee, made by the Minister or Secretary General.
23. Quarterly reports in relation to both the internal audit and scrutiny work programmes shall be presented to the Committee.
24. The non-executive members of the Audit Committee will meet separately, at least once a year, with the Director of Internal Audit.

Meetings

25. Not less than four meetings of the Audit Committee shall take place in each calendar year.
26. A quorum of three members shall be required at each meeting of the Audit Committee.
27. The Chairman of the Audit Committee shall chair each meeting he/she attends, with a deputy being chosen by the members present where the Chairman is not present or the office of Chairman of the Committee is vacant.
28. If a vote is required on any issue, a simple majority of all members present, including the Chairman, is necessary to carry a motion, with the Chairman having a casting vote in the event of a tie.
29. The agenda of the Audit Committee will be approved by the Chairman and each member of the Committee shall be entitled to put forward matters for inclusion on the agenda.
30. The agenda and supporting papers shall be circulated to all Committee members at least one week prior to the meeting.
31. Each member of the Audit Committee shall be entitled to attend its meetings. In addition, such persons as are from time to time invited by the Chairman to attend may attend.
32. Minutes of meetings of the Audit Committee shall be approved by the Chairman and circulated to the members of the Committee and to the Secretary General of DAF within two weeks of being approved.

Minister for Agriculture and Food

Chairman of the Audit Committee

Secretary General, Department of Agriculture and Food

Appendix 4 - Declaration of Compliance with E.U. Council Directive 2004/18/EC

THIS DECLARATION, DULY COMPLETED, MUST BE SUBMITTED BY ALL TENDERERS

Please tick as appropriate:

Has the tenderer been the subject of a conviction by final judgement for one or more of the reasons listed below:

(a) participation in a criminal organisation, as defined in Article 2(1) of Council Joint Action 98/733/JHA(20);

Yes [] No []

(b) corruption, as defined in Article 3 of the Council Act of 26 May 1997(21) and Article 3(1) of Council Joint Action 98/742/JHA(22) respectively;

Yes [] No []

(c) fraud within the meaning of Article 1 of the Convention relating to the protection of the financial interests of the European Communities(23);

Yes [] No []

(d) money laundering, as defined in Article 1 of Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering(24).

Yes [] No []

Has the tenderer:

1. Been made bankrupt or is being wound up, where his affairs are being administered by the court, where he has entered into an arrangement with creditors, where he has suspended business activities or is in any analogous situation arising from a similar procedure under national laws and regulations;

Yes [] No []

2. Been the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;

Yes [] No []

3. Been convicted by a judgment which has the force of res judicata in accordance with the legal provisions of the country of any offence concerning his professional conduct;

Yes [] No []

4. Been guilty of grave professional misconduct proven by any means which the contracting authorities can demonstrate;
Yes [] No []
5. Not fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which he is established or with those of the country of the contracting authority;
Yes [] No []
6. Not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which he is established or with those of the country of the contracting authority;
Yes [] No []
7. Been proven guilty of serious misrepresentation in supplying the information required under this Section or has not supplied such information.
Yes [] No []

THIS FORM MUST BE SIGNED BY AN AUTHORISED OFFICER OF THE TENDERER

I certify that the information provided above is accurate and complete to the best of my knowledge and belief. I understand that the provision of inaccurate or misleading information in this declaration may lead to my organisation being removed from tender lists.

SIGNATURE _____ DATE: _____
NAME _____ TEL: _____
POSITION _____ FAX: _____