



COMMONWEALTH
TELECOMMUNICATIONS
ORGANISATION

Appointment of a New Auditor

**Terms of Reference
for an
Invitation to Tender
for
Independent Audit Services for the
Commonwealth Telecommunications Organisation**

1. Background

- a. The Commonwealth Telecommunications Organisation (CTO) is an intergovernmental institution that promotes and facilitates the effective adoption of information and communication technologies (ICT) for socio-economic development.
- b. The organisation traces its roots back to the 1901 the Pacific Cable Board formed by the United Kingdom (UK), Australia, Canada, and New Zealand to complete the Pacific-Canada portion of the global telegraphy cable network. Since that time the organisation has gone through several transformations and in 1968 was established as the Commonwealth Telecommunications organisation.
- c. The CTO operates under a Headquarters Agreement with the Government of the UK and enjoys diplomatic status. Whilst the CTO is exempt from taxation, its staff pay a tax (unlike many other intergovernmental organisations) which is ploughed back to the organisation for its use. As an intergovernmental organisation the CTO does not pay VAT and any VAT paid is reimbursed to the CTO by the UK government.
- d. The CTO's membership consists of the following categories:
 - Academia - Universities and tertiary educational institutions from any country
 - Affiliate - Self-governing States linked to a Member State of the Commonwealth of Nations including overseas territories.
 - Associate - Any country that is not a Member State of the Commonwealth of Nations and that is not a Self-governing State linked to a Commonwealth Member State.
 - Full Member Country - Member State of the Commonwealth of Nations
 - ICT Sector - Any entity, the functions and activities of which are compatible with the purposes of the CTO, other than a Full Member Country, Associate Member, Affiliate Member, or Academia Member.
- e. The organs of the CTO are:
 - i. the CTO Council, the supreme decision-making body;
 - ii. the Executive Committee, acts on behalf of the Council, in the interval between meetings of the Council and make recommendations to the Council concerning the CTO's strategies and policies;
 - iii. the Secretariat, carries out the functions of the CTO and executes the directives of the Council.

The Constitution and Rules of Procedure available at <http://www.cto.int/about-the-cto/our-organisation/constitution-and-rules/> provide more details.
- f. The Chairman and members of the Executive Committee are elected from financial Full Member Countries.
- g. The Secretary General, appointed through a competitive recruitment process heads the Secretariat and is responsible for the day-to-day operations of the Secretariat.

- h. The core source of CTO funding is derived from membership fees. Additional revenue is generated by the provision of services such as capacity development, events grant funding and sponsorships.
- i. The CTO has 7 employees who work from the CTO-owned Headquarters in London.
- j. The work of the CTO is guided by the Constitution and the Rules of Procedure that were revised and adopted in 2024.
- k. CTO is not required by law to audit its accounts, but the governing Council has decided in the interests of good governance, to have its accounts audited. Moreover, certain donor agencies also request audited accounts as a pre-condition to providing funding.

2. Requirements

The independent audit services required will include, but not be limited to:

- The process for planning, management, and execution of the annual financial audit of the CTO in compliance with International Financial Reporting Standards.
- Reporting on the financial audit progress to Management and the Executive Committee (ExCo), and Council meetings as appropriate.
- An assessment as to whether the CTO's financial statements have been prepared in compliance with International Financial Reporting Standards.

Preparation of the final accounts is not required.

3. Proposed contract

The contract will be for an initial three-year period for the period from 1 April 2024 and will be subject to annual appointment by the Governing Council.

4. Tender Process

Interested firms are invited to submit a written proposal specifically addressing the following points:

- Services to be provided in the first year of the contract and associated fees.
- An indication of the level of fees that would be charged in the subsequent periods of the contract.
- Hourly rate for any additional advice or services that may be required from time to time.
- Overview of the firm
- CVs of senior staff such as the Audit Partner and Manager and supporting personnel who would conduct the external audit including the location of staff.
- An explanation of the independent audit approach and strategy that would be used.
- The firm's policy for conducting the audit and maintenance of continuity of staff involved.
- Details of relevant experience providing similar services to comparable organisations.
- Contact information for three references that the CTO could approach.

Tender Documents must be submitted by email to:

The deadline for submission of the tender documents is: on or before 12.00PM on 3 September 2024.

After the proposals have been received and initial evaluations have taken place, a shortlist of firms will be identified who will be asked to make a presentation to Management and, possibly the Executive Committee including a question-and-answer session. Timings of the presentation will be confirmed in due course.

5. Assessment of Tenders

Tenders will be assessed on the following criteria:

- Experience of providing comprehensive external audit services to similar organisations
- The profiles and experience of the proposed external audit team
- The suitability of the proposed audit approach
- The ability to provide local support
- Value for money

6. Contact details

For further information or clarification please contact Nikisha Joshi, by Email at n.joshi@cto.int6