



TERMS OF REFERENCE
PROVISION OF EXTERNAL AUDIT SERVICES

04 MAY 2025

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1. Introduction

Noonu Atoll LAC· LTD· is a wholly owned company of the Noonu Atoll Council, registered under the Companies Act (07/2023) in the Republic of Maldives in 2023· Our primary objectives encompass a range of business ventures, including tourism development, renewable energy, agriculture, waste management and recycling, utility services, and any other projects or work assigned by the Noonu Atoll Council·

Noonu Atoll LAC· LTD· invites bids for the external audit service for the Company for its financial years ending 31st December 2023 and 2024·

2. Auditing Standards

The financial statement audit will be conducted in accordance with International Standards on Auditing (ISAs)· The audit will address the scope of services outlined in part 4 of this TOR·

Additionally, the audit firm may utilise other pronouncements from the International Auditing and Assurance Standards Board (IAASB) of IFAC, as appropriate, to fulfil various aspects of the service scope·

3. Objective

The objective of the external audit is to express an opinion on the financial statements of Noonu Atoll LAC· LTD· for the financial years ending 31st December 2023 and 2024·

4. Scope of Services

The scope of the audit services will include the following·

4·1· Auditing the financial statements of Noonu Atoll LAC· LTD· for the years ending 31st December 2023 and 2024·

4·2· Conducting appropriate work within the scope of the external audit, including:

a· Producing a report for the Noonu Atoll Council on internal control over financial reporting and on compliance and other matters based on the audit of financial statements, which will include the following sections:

- Key internal control weaknesses
- Fraud risk
- Compliance with procurement guidelines and practices
- Compliance with Corporate Governance Code (CMDA CG Code)

b· Producing a management letter to the Company that identifies significant deficiencies in internal controls and provides an analysis of the financial statements·

Note: The external auditor will carry out an agreed-upon procedures engagement in accordance with International Standard on Related Services (ISRS) 4400 to assess compliance with the Corporate Governance Code as stated above·

5. Eligibility Criteria

The bidder (audit firm) for this audit service shall be registered with Institute of Chartered Accountants of the Maldives as a Public Interest Entity Auditor. The audit team shall meet the following requirements.

- 5.1. The engagement partner shall have a minimum of five years of experience in auditing companies and must hold the audit license.
- 5.2. The engagement manager (team leader) shall have a minimum of five years of experience in auditing companies and shall be a member of CA Maldives.
- 5.3. Other team members shall possess educational qualification and experience appropriate to the work assigned to them on the audit.
- 5.4. The audit team:
 - a. Shall be completely impartial and independent from all aspects of management or financial interests of Noonu Atoll LAC. LTD.
 - b. Shall not, during the period covered by the audit nor during the audit, be employed by, serve as advisors or mentors for, or have any financial or business relationships with Noonu Atoll LAC. LTD.

6. Deliverables

The external auditor shall present the following:

- 6.1. Audited financial statements of the year 2023 and 2024 to the Board of Directors and the Management of the Company.
- 6.2. Management letter to the Company.
- 6.3. Report to Noonu Atoll Council on internal control over financial reporting and on compliance and other matters based on an audit of financial statements.

7. Technical Queries

For any technical clarifications related to this bid submission, please direct your queries to finance@noonunaturally.com.

8. Deadline for Submission

The deadline for responses to this tender is the date and time stated in the announcement.

9. Submission Requirements

Bidders are advised to include in their bids the following documents as annexures.

- a. Company profile
- b. Bidders' references
- c. Comments and suggestions on the scope of work
- d. Description of the methodology for performing the assignment
- e. Team composition and tasks assignment
- f. Proposed fee
- g. Any additional forms stated in the Bid Data.

10. Prices

Bidders are required to adhere to the following guidelines when quoting prices:

- a. All prices must be quoted in MVR (Maldivian Rufiyaa).
- b. There will be no price variation after signing the contract.
- c. Prices must be quoted inclusive of all applicable taxes.

11. Bid Validity

The Bid shall be valid for a minimum of 60 calendar days from the date of close of bid submission.

12. Bid Evaluation and basis of award

A formal contract (Letter of Engagement) outlining the scope of the audit will be prepared and signed by both NALL and the audit firm before the engagement begins. This contract will clearly define the responsibilities of both parties. Noonu Atoll LAC. LTD. will award the contract to the most economically advantageous bid based on the following criterion:

Experience* 20%

Price** 80%

- * The total score will be adjusted proportionally based on the firm's experience using the following formula. The total experience will be capped at five years, with a year defined as 365 days.

For example, if a firm has 15 years of experience, only five years will be considered for the scoring of this procurement. Therefore, all firms with a minimum of five years of experience will receive the full 20% for their experience component.

$$\text{Score for Experience} = \frac{\text{Total Experience in days}}{(365 \text{ days} \times 5)} \times 20\%$$

- ** The lowest quoted price will be set as the benchmark against which the remaining submissions will be scored.

13. Completion Period

The external audit and related services must be completed within a maximum of 6 (Six) weeks. The duration will begin upon issuance of a written notice from Noonu Atoll LAC. LTD. to initiate the audit, following the signing of the contract/engagement letter.

14. Payment

Payment for each year of audit will be released upon successful completion of the services to a standard acceptable to Noonu Atoll LAC. LTD.

An undisputed tax invoice must be submitted to Noonu Atoll LAC. LTD. Payments will be made within 30 days of receipt of invoice.

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