

REQUEST FOR PROPOSAL (“RFP”)

RFP Title: Internal Audit Services	RFP #: 15160010
Issue Date: Monday, August 17, 2015	Close Date & Time: Monday, September 28, 2015 at 2:00 P.M. Eastern Daylight Time
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SECTION 1 – INTRODUCTION

The purpose of this section is to provide general information about the International Development Research Centre (“IDRC”) and this RFP.

1.1 IDRC OVERVIEW

IDRC is a **Canadian Crown Corporation** established by an act of Parliament in 1970.

IDRC was created to help developing countries find solutions to their problems. It encourages, supports, and conducts research in the world’s developing regions, and seeks to apply new knowledge to the economic and social improvement of those regions. IDRC aims to reduce poverty, improve health, support innovation, and safeguard the environment in developing regions.

IDRC employs about 375 people at its Ottawa, Ontario, Canada head office and at its four (4) global regional offices (Cairo-Egypt, New Delhi-India, Nairobi-Kenya, and Montevideo-Uruguay). For more details visit: www.idrc.ca and specifically: www.idrc.ca/EN/AboutUs/WhoWeAre/Pages/OurMandate.aspx for IDRC’s mandate and Act (1970).

1.2 PURPOSE OF THIS RFP

IDRC requests proposals for the provision of internal audit services to meet IDRC’s requirement, as described in section 2, the Statement of Work (“SOW”).

1.3 DOCUMENTS FOR THIS RFP

The documents listed below form part of and are incorporated into this RFP:

- This RFP document
- Annex A – Resulting Contract Terms and Conditions
- Annex B – Mandatory Requirements Checklist
- Annex C – Rated Requirements Checklist
- Annex D – 2014-2017 Internal Audit Plan
- Annex E – 2015-2016 Annual Internal Audit Plan
- Annex F – Internal Audit Charter

1.4 TARGET DATES FOR THIS RFP

The following schedule summarizes significant target events for the RFP process. The dates may be changed by IDRC at its sole discretion and shall not become conditions of any Contract which may be entered into by IDRC and the selected Proponent.

Event	Date
RFP issue date	See page 1
Deadline for Enquiries	See section 5.1
RFP close date	See page 1
Interviews/Presentations by short-listed Proponent(s)	See section 3.2.4
Evaluation, selection, and notification of Lead Proponent	October 19, 2015
Finalize Contract with Lead Proponent	November 16, 2015
Commencement of Services	January 2, 2016

SECTION 2 – STATEMENT OF WORK

This section is intended to provide Proponents with the information necessary to develop a competitive proposal. The Statement of Work (“SOW”) is a complete description of the tasks to be done, results to be achieved, and/or the goods to be supplied.

2.1 INTRODUCTION AND PROJECT OVERVIEW

The Risk Management and Internal Audit (RMIA) unit is seeking internal audit services (hereinafter “Services”) to be provided as a co-sourcing arrangement. Since the unit is small (2.5 FTE’s), additional resources are required to provide expertise and knowledge to complement the current team, and complete approved audits and advisory engagements on time and on budget.

IDRC’s President and the Board of Governors’ Finance and Audit Committee (FAC) have charged RMIA with the planning, execution and reporting of a comprehensive internal audit program. The approved 2014-2017 Internal Audit Plan (**Annex D**) and 2015-2016 Annual Internal Audit Plan (**Annex E**) are attached to this document to provide more information. The 2016-2017 Annual Internal Audit Plan is yet to be drafted but planned audits are expected to be similar to what is outlined in the 2014-2017 Internal Audit Plan subject to change based on a current risk assessment and discussions with management and the FAC.

In addition to the President and the FAC, clients of RMIA include IDRC’s Management Committee. Upon request and subject to resources being available, RMIA may provide advisory services to management and assist the Office of the Auditor General.

2.2 BACKGROUND

The purpose of IDRC’s Internal Audit function is to provide independent, objective, assurance and advice designed to add value and support IDRC’s objectives to achieve excellence, improve operations and accountability. Internal Audit helps IDRC accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The President and the FAC have approved the approach of co-sourcing the conduct of IDRCs internal audit function. The Internal Audit Charter attached to this document as **Annex F** provides the purpose, authority and independence, responsibilities, scope of work and standards for internal audit at IDRC. This structure has been in place for a number of years and has proved to be successful. Responsibility for the function resides in-house through an internal Director position designated as the Chief Audit Executive (CAE).

Delivery of the Internal Audit Plan is undertaken through a co-sourced model in which the CAE will rely on the successful Proponent to participate or fully undertake the planning, conduct and reporting of individual audit assignments. The successful Proponent may also be used to help complete multi-year risk based audit planning. Work performed by the successful Proponent is expected to be at a minimum compliant with the Professional Practices Framework of the Institute of Internal Auditors (IIA) and RMIAs internal quality standards.

2.3 CURRENT ORGANIZATIONAL STATUS / STRUCTURE

IDRC’s Board of Governors approves the Internal Audit Charter which outlines the purpose, authority and responsibility of the function. The Board of Governors through the Board Charter authorizes the FAC

to oversee IDRC's Internal Audit function. The CAE reports directly to the FAC and administratively to the President.

RMIA consists of a Director also known as the CAE, a Senior Audit Officer and a shared Executive Assistant totaling 2.5 FTE's.

The CAE is also a member of the Centre Management Committee (CMC). CMC is made up of senior staff members who work with the President to provide advice and guidance on corporate objectives, policies, and programs.

The successful Proponent will report functionally and administratively to the CAE. The CAE maintains overall responsibility for the function and will be specifically responsible for monitoring deliverables, performance and quality standards. The CAE will also be responsible for reporting audit results to the President, the CMC and the FAC.

2.4 DESCRIPTION AND SCOPE OF WORK

2.4.1 Project Scope

In Scope:

IDRC wishes to formally engage the Services of a professional firm, within the context described in section 2.3, to help deliver audits from 2016 to 2018 (with the possibility to extend, see section 2.8) within the scope of work set out in the Internal Audit Charter and the Risk Based Internal Audit Plan.

The successful Proponent will be responsible for undertaking or participating in the following:

- A detailed planning phase for the audit assignment including developing a solid understanding of business processes, the control environment and potential issues. Any necessary changes to audit objectives and scope identified in the Project Charter are discussed and included in the audit plan.
- Conducting the audit fieldwork, analyzing results and summarizing relevant, useful and valid findings in accordance with professional standards.
- As defined with the Project Charter reporting on the results of the audit work in a factual, clear and concise manner to the CAE.
- Conducting and documenting the audit work in a manner that meets professional standards.
- Advising the CAE on trends and important points observed in the execution of individual assignments in support of the CAE's responsibilities in planning and overall reporting.

IDRC shall, among other responsibilities with respect to the Services, make all management decisions and perform all management functions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for IDRC's purposes. IDRC's CAE is assigned to oversee the Services.

Internal Audit Service Requirements:

- i. The successful Proponent will conduct and participate in individual internal audit and advisory assignments for IDRC.

- ii. These individual audits and assignments will be agreed to between IDRC and the successful Proponent, subject to the terms and conditions of the Master Agreement and the Project Charter.
- iii. IDRC, represented by the CAE, will negotiate the individual Project Charters with the successful Proponent. RMIA projects are approved by the Financial and Audit Committee on behalf of IDRC's Board of Governors in the Annual Internal Audit Plan.
- iv. The Annual Internal Audit Plan, while being primarily risk-based as required by IIA standards, will also take into account statutory and other (e.g. insurance) requirements in selecting the audits to be performed.
- v. The Annual Internal Audit Plan may also include provision of advisory services to IDRC. Advisory services are to be included in the same budgetary envelope as audit services.
- vi. The successful Proponent will provide professional advice and guidance to the CAE in the achievement of the mandate of the RMIA unit.
- vii. The successful Proponent and the staff of RMIA unit will work together in a team approach to meet the objectives of the individual audit engagements.
- viii. The successful Proponent will provide Services in conformity with IDRC's Internal Audit Charter, and the Professional Practices Framework of the IIA.
- ix. The successful Proponent, when providing any internal audit, advisory or other services, will ensure the successful Proponent's senior representatives possess current Government security clearance to the Reliability level, and ensuring the security and confidentiality of all working papers (including working papers in electronic formats) related to the audits of IDRC such that there are no violations of the Privacy Act or any other relevant legislation.
- x. At the completion of each assignment will provide to IDRC final working papers for each audit or assignment conducted.
- xi. The successful Proponent will advise the CAE of any breaches of the contract or any other matter that in the principal interlocutor's professional judgment should be reported.
- xii. The successful Proponent will provide copies and access to the reports, data, working documents in a format that is readable by IDRC.
- xiii. The successful Proponent will provide progress reports, draft audit reports, and final audit reports that meet the following requirements:
 - a) Clear and concise
 - b) Well organized
 - c) Accessible to a broad audience
 - d) Of professional quality.
- xiv. The successful Proponent will review and adjust, where appropriate, the professional editorial quality of final internal audit reports;
- xv. The Services provided by the successful Proponent must be available in both official languages of Canada (French and English). Additional linguistic requirements may be necessary for certain regional office audit assignments.
- xvi. The successful Proponent will oversee and arrange any consulting resources engaged from affiliated offices located across Canada or in other countries.
- xvii. The successful Proponent will provide ongoing guidance during the term of the Agreement and advice on best practices in international internal audit standards and on developments in Canadian government internal auditing policies, plans and trends.

- xviii. The successful Proponent will provide other services as required by IDRC that may come up over the course of the contract that are mutually agreed to and documented in a contract amendment or approved Project Charter.

Out of Scope:

The Internal Audit function does not perform evaluations or provide related evaluation services. At IDRC, Internal Audit and Evaluation both play key roles in IDRC's corporate accountability structure. They are however separate and distinct functions with different governance and reporting structures.

2.4.2 Project Facts and Assumptions

- i. The Annual Internal Audit Plan will be part of a three-year rolling risk based audit plan. IDRC's Annual Internal Audit Plan is subject to approval by the FAC on behalf of the IDRC Board of Governors.
- ii. IDRC's Annual Corporate Risk Profiling exercise may identify items for the Annual Internal Audit Plan.
- iii. The successful proponent will work with RMIA staff to complete audits and assignments. In particular, the successful proponent will be responsible for providing the following resources:
 - a) **Partner/Managing Director (Principal Interlocutor and alternate)** - The resource exercises project sign-off authority on behalf of the proponent, and oversees and assures the quality of work of Project Managers / Leaders responsible for individual projects. Negotiates the final agreement for the Work on behalf of the proponent. Supervises the creation, development and implementation of significantly new or modified audit approaches to solve problems and obtains approval from the Project Authority for their application. Reports progress of the project on an as needed basis and at key milestones in the life cycle. Meets with senior IDRC managers, as required, to outline audit objectives and approaches, to gather key perspectives and to present audit observations and recommendations. Responsible for overall relationship management and client satisfaction.
 - b) **Project Manager / Leader** - Manages the project team during the planning, implementation and reporting phases of the audits. Ensures that resources are made available and that the project is developed and is fully implemented within agreed time, cost and performance parameters of the Contract. Determines budgetary requirements, the composition, roles and responsibilities and deadlines for the project team. Defines and documents the objectives and scope for the project. Identifies problems impeding successful completion of the project and proposes, develops and implements significantly new or modified audit approaches to solve them. Reports progress of the project to the Project Authority on an ongoing basis and at scheduled points in the life cycle. Meets with auditee management to outline audit objectives and approaches, to gather key perspectives, and to present audit observations and recommendations. Prepares plans, charts, tables and diagrams to assist in presenting or displaying observations and recommendations.
 - c) **Senior Auditor** - Develops and designs approaches and programs for significant segments of projects. Participates in the development of the overall plan and

strategy for specific projects. Carries out, or supervises auditors in the performance of project tasks according to approved programs or plans. Prepares and presents project observations and recommendations to the Project Manager / Leader for approval. Presents observations and findings from work completed to the Project Authority and to auditee management. Drafts and revises audit reports.

- d) **Auditor** - Participates in the planning, conduct and reporting phases of projects. Organizes and conducts project tasks according to approved programs or plans. Drafts portions of, or content leading to, drafts and final reports, including audit observations, conclusions and recommendations. May present oral briefings and debriefings to auditees on assigned segments of projects.

2.5 IDRC RESPONSIBILITIES, SUPPORT, AND REPRESENTATIVES

IDRC will identify a **Project Authority** to whom the successful Proponent will report during the period of a resulting Contract. The Project Authority will be responsible for coordinating the overall delivery of service, providing as required direction and guidance to the Proponent, monitoring Proponent performance and accepting and approving Proponent deliverables on behalf of IDRC. Should any report, document, good or service not be in accordance with the requirements of the Statement of Work and to the satisfaction of the Project Authority, as submitted, the Project Authority shall have the right to reject it or require its correction at the sole expense of the Proponent before recommending payment.

The Project Authority will ensure that appropriate subject matter experts from within IDRC are available to the Proponent to discuss and provide content material, as well as facilitate cooperation with regional IDRC staff and other stakeholders, as required.

IDRC will identify a **Travel Administrative Representative**, who will manage all travel requirements (if required) approved by the Project Authority.

IDRC will identify a **Contracting Authority**, who will oversee a resulting Contract throughout its lifecycle, in conjunction with the Project Authority and the Proponent, create amendments for any changes to a resulting Contract, answer questions on terms and conditions, and manage the receipt and payment of invoices.

2.6 LOCATION OF WORK AND TRAVEL

Work is expected to take place onsite at IDRC offices and at the Proponent's site in co-ordination with IDRC's Project Authority. For onsite work, IDRC will provide the necessary workstation(s). IDRC will not reimburse the Proponent for any out-of-pocket local travel expenses and parking.

Local resources equivalent to resources provided in Ottawa, working directly for the proponent (sub-contractors will not be accepted), are to be provided for regional office audits as travel to regional office cities will not be reimbursed except in exceptional circumstances approved by the CAE.

2.7 LANGUAGE OF WORK

The Proponent acknowledges and understands that IDRC is governed by the Official Languages Act and agrees to take any measures necessary to ensure compliance with the Official Languages Act.

When providing internal services to IDRC employees, in person, over the phone, or in writing (including electronic correspondence), the Proponent must actively offer bilingual services in English and French. The Proponent must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

2.8 DURATION / PERIOD OF A RESULTING CONTRACT

IDRC intends to enter into an agreement for three(3) years, commencing January 2, 2016, with an option to extend the initial term at IDRC's discretion for three (3) one(1) year periods (for a potential total term of 6 years).

SECTION 3 – PROPOSAL EVALUATION

This section describes the process that IDRC will use to evaluate Proposals and select a Lead Proponent.

3.1 EVALUATION COMMUNICATION

During Proposal evaluations, IDRC reserves the right to contact or meet with any individual Proponent in order to obtain clarification of its submission or to gain insight into the quality and scope of relevant services. A Proponent will not be allowed to add, change or delete any information during the process. IDRC is in no way obligated to meet with any or all Proponents for this purpose.

3.2 EVALUATION METHODOLOGY

The following methodology will be used to evaluate Proposals:

3.2.1 Mandatory Requirements

Each Proposal will first be examined to determine compliance with each **mandatory** requirement ("M") identified in this RFP. A mandatory requirement is a minimum standard that a proposal must meet in order to be considered for further evaluation. Mandatory is defined as having substantial compliance as assessed by IDRC in its sole and absolute discretion.

A **Mandatory Requirements Checklist**, which summarizes the mandatory requirements set out in the RFP to assist in ensuring Proponents comply with all mandatory criteria, is located at **Annex B**.

Important Note: Proposals which fail, in the sole discretion of IDRC, to meet any mandatory requirement will be eliminated from further consideration in the evaluation process.

3.2.2 Rated Requirements

Responses that have met all the mandatory requirements will then proceed to the **rated** requirements ("R") evaluation. **Rated** requirements will be evaluated according to the degree to which they meet or exceed IDRC's requirements.

A **Rated Requirements Checklist**, which summarizes the rated requirements highlighted in Statement of Work, is located at **Annex C**.

3.2.3 Financials

The Financial Proposal must not exceed RMIA's annual professional services budget, which is currently \$215,000 inclusive of HST.

Financial Proposals will be scored based on a relative pricing formula. Each Proponent will receive a percentage of the total possible points arrived at by dividing that Proponent's total price by the lowest submitted total price. For example, if the lowest total price is \$120.00, that Proponent receives 100% of the possible points ($120/120 = 100\%$), a Proponent who submits \$150.00 receives 80% of the possible points ($120/150 = 80\%$), and a Proponent who submits \$240.00 receives 50% of the possible points ($120/240 = 50\%$).

3.2.4 Presentations/Shortlist

From the compliant proposals, IDRC may elect to shortlist a maximum of two (2) Proponents based on the highest scores for the rated requirements and financials.

Shortlisted Proponents may be asked to prepare a presentation or provide additional information prior to the final selection. IDRC reserves the right to supply more information to those Proponents who are shortlisted.

3.2.5. Final Score

Total points will be calculated and IDRC may select the Lead Proposal or Proposals achieving the highest total points, subject to IDRC's reserved rights.

3.3 EVALUATION TABLE

IDRC will evaluate Proponent's proposals based on the following:

RFP Section	Mandatory Requirements	Weighting A
Annex B	Mandatory Requirements (M1 – M8) <i>(If Pass, proceed with evaluation process)</i>	Pass or Fail

RFP Section	Rated Requirements	Weighting A
Technical: Annex C	Knowledge and understanding (R1)	15
	Proposed approach and methodology (R2)	15
	Experience and capacity of the firm (R3)	10
	Experience and capability of proposed resources (R4)	15
	Project Management (R5)	15
	Resource scenarios (R6)	10
Financial: section 4.6.2	Total pricing, exclusive of taxes	20
	Total %	100

3.4 PROPONENT FINANCIAL CAPACITY

IDRC reserves the right to conduct an assessment of the Lead Proponent's financial capacity. IDRC may request that the Lead Proponent provide proof of financial stability via bank references, financial statements, or other similar evidence. The Lead Proponent must provide this information upon 72 hours of IDRC's request. Failure to comply may result in disqualification.

3.5 PROPONENT SELECTION

As noted in section 5.8, acceptance of a proposal does not oblige IDRC to incorporate any or all of the accepted proposal into a contractual agreement, but rather demonstrates a willingness on the part of IDRC to enter into negotiations for the purpose of arriving at a satisfactory contractual arrangement with one or more parties.

Without changing the intent of this RFP or the Lead Proponent's proposal, IDRC will enter into discussions with the Lead Proponent for the purpose of finalizing the Contract.

In the event no satisfactory Contract can be negotiated between the Lead Proponent and IDRC, IDRC may terminate negotiations. In such event, if IDRC feels that the Proponent with the second highest score may meet the requirements, IDRC will continue the process with the secondary Proponent, and so on.

Announcement of the successful Proponent will be made to all Proponents following the signing of a Contract.

SECTION 4 – PROPOSAL FORMAT

Proposal responses should be organized and submitted in accordance with the instructions in this section.

4.1 GENERAL

Proposals should be in 8 1/2" x 11" (letter) format, with each page numbered. Proposals should be no longer than 30 pages in length including annexes, except for curriculum vitae. The font used should be easy to read and generally be no smaller than 11 points (smaller font can be used for short footnotes).

4.2 OFFICIAL LANGUAGES

Proposals may be submitted in English or French.

4.3 ORGANIZATION OF RESPONSES

Responses should be organized as follows, where the sections that follow provide more details:

see RFP Section for full details	File	Contents
4.4	1.0	Cover Letter
4.5	1.0	Technical Proposal
4.6	2.0	Financial Proposal

4.4 COVER LETTER

A one (1) page covering letter on the Proponent's letterhead should be submitted and should include the following:

- a. A reference to the RFP number and RFP title.
- b. The primary contact person with respect to this RFP: the individual's name, address, phone number and email address.
- c. A statement confirming the validity of the proposal (refer to section 5.4).
- d. A statement confirming the Proponent does not have a conflict of interest with this RFP, real or perceived (refer to section 5.7).
- e. The letter **signed** by person(s) duly authorized to sign on behalf of the Proponent and bind the Proponent to statements made in response to the RFP.

4.5 TECHNICAL PROPOSAL

4.5.1 Table of Contents

The Proponent should include a table of contents that contains page numbers for easy reference by the evaluation committee.

4.5.2 Response to the Statement of Work

The Proponent **must** provide detailed information relative to each requirement listed in the Statement of Work, for both Mandatory and Rated Requirements, and clearly outline the work that the Proponent proposes to undertake for the provision of these services to IDRC.

When responding, the Proponent **must** complete the response grids found in **Annex B - Mandatory Compliance Checklist** and **Annex C - Rated Requirement Checklist**.

4.6 FINANCIAL PROPOSAL

4.6.1 General

The Proponent should provide a *separate* response relative to the pricing of its proposed solution (reference section 5.3.2).

4.6.2 Financial Requirements

The Proponent must submit a Financial Proposal including a cost summary of the Services as follows:

Requirements	Weight (%) 20
<p>a. The Proponent is to state the assumptions underlying its financial proposal.</p>	
<p>b. All prices are to be quoted in Canadian dollars (CAD) and be exclusive of the Goods and services Tax (GST) or Harmonized Sales Tax (HST).</p> <p>The GST or HST, whichever is applicable, shall be extra to the prices quoted by the Proponent and will be paid by IDRC.</p> <p>If the Proponent will not be charging IDRC taxes, an explanation should be provided.</p> <p>See the NOTES below for more details.</p>	
<p>c. Two (2) detailed budget breakdowns for four (4) proposed engagements (please refer for Annex B, M6), based on proposed resource scenarios, approach and methodology in the technical proposal (see annex B and C), and include at a minimum the following:</p> <ul style="list-style-type: none"> i. all-inclusive daily fee rate applicable to each resource level who will perform the work for each scenario of staffing presented (see NOTES for more details regarding travel); ii. estimated total number of consulting days for each person or resource level who will perform the work for each scenario presented; <p>Aggregate budgets for individual audits must not exceed RMIA's annual professional services budget, which for 2015-2016 is set at \$215,000 inclusive of HST.</p> <p>IDRC will not be billed for travel time to and from any work site, for any purpose. Cost of such time will be the sole responsibility of the selected proponent.</p> <p>Any and all travel costs and living expenses are the sole responsibility of the Successful proponent.</p>	
<p>d. The Proponent shall propose an invoicing schedule if other than providing one (1) invoice upon completion of all Services.</p> <p><i>Important Note:</i> IDRC's payment terms are NET 30 and IDRC will make no advance on fees.</p>	

NOTES:

1. Taxes

1.1 Proponents hired to deliver goods and or services in Canada (regardless of their place of origin) must include all costs on their invoices for the purpose of calculating the applicable taxes payable by IDRC.

1.2 In accordance with the income tax regulations of Canada, IDRC must withhold 15% of fees and non-exempt expenses of **non-resident Proponents working in Canada** for transmittal to the Canada Revenue Agency ("CRA"). Such holdback may be either waived by the Canada Revenue Agency ahead of payment (the Proponent must secure the waiver himself / herself) or refunded later to the Proponent by the authorities of his country of residence (where the country in question has a tax treaty with the Government of Canada), upon the Proponent satisfying the country's revenue declaration requirements. Withholding by IDRC does not constitute sufficient reason to increase the negotiated fee. Tax matters remain entirely the responsibility of the Proponent. Waiver applications and information can be found on CRA's website: <http://www.cra-arc.gc.ca/tx/nrsdnts/cmmn/rndr/menu-eng.html>

1.3 In accordance with the tax regulations of the jurisdictions of IDRC's Regional Offices, other tax regulations may apply.

2. Travel

As noted in section 2.6, local resources equivalent to resources provided in Ottawa, working directly for the proponent, are to be provided for regional office audits as travel to regional office cities will not be reimbursed except in exceptional circumstances approved by the CAE.

4.6.3 Mathematical Errors

If there are errors in the mathematical extension of unit price items, the unit prices prevail and the unit price extension is adjusted accordingly.

If there are errors in the addition of lump sum prices or unit price extensions, the total is corrected, and the correct amount reflected in the total price.

Any Proponent affected by mathematical errors shall be notified by IDRC and be given the corrected prices.

SECTION 5 – CONDITIONS

The purpose of this section is to inform the Proponent about IDRC's procedures and rules pertaining to the RFP process.

5.1 ENQUIRIES

All matters pertaining to this RFP are to be referred exclusively to the Contracting Authority named on page 1.

No verbal enquiries or verbal requests for clarifications will be accepted.

Proponents should, as much as feasible, aggregate enquiries and requests for clarifications and shall submit them **in writing via email** to the **Contracting Authority by 31 August, 2015, at 11:00 a.m. EDT** in order to receive a response prior to the close date. When submitting, Proponents *email subject line* should cite **"RFP # 15160010 Internal Audit Services"**.

The Contracting Authority will provide **all answers to significant enquiries** received on buyandsell.gc.ca without revealing the sources of the enquiries.

In the event that it becomes necessary to revise any part of the RFP as a result of any enquiry or for any other reason, an **Amendment** to this RFP will be issued and posted on buyandsell.gc.ca

Important note: Proponents must download all RFP documents directly from the Buy and Sell website. IDRC will not distribute RFP documents that are posted on buyandsell.gc.ca.

5.2 SUBMISSION DEADLINE

IDRC will only accept proposals up the close date and time indicated on page 1.

Important note: Late proposals will not be accepted. No adjustments to proposals will be considered after the close date and time.

5.3 PROPOSAL SUBMISSION INSTRUCTIONS

Proposals should be submitted in accordance with the instructions in this section.

5.3.1 Method of Sending

The preferred method of proposal submission is electronic, via **email**, in **Microsoft Word** or in **PDF** format to the Contracting Authority named on page 1. Proponents *email subject line* should cite **"RFP # 15160010 Internal Audit Services"** when submitting via email.

Important Note: Email messages with large attachments can be slowed down in servers between the Proponent's email and the Contracting Authority's email inbox. It is the Proponent's responsibility to ensure that large emails are sent sufficiently in advance to be at IDRC by the close date and time. Proponents should use electronic receipt confirmation and or contact the Contracting Authority to confirm receipt.

Important Note: The maximum size of an email that IDRC can receive is 25MB. If necessary, Proponents can send multiple emails.

5.3.2 Number of Copies

Electronic submission should consist of **two (2) files**: one (1) for the cover letter and technical proposal and one (1) for the financial proposal.

Note: Should submitting a paper submission (hard copy) be required by the Proponent instead of an electronic submission, the Proponent shall submit **five (5) copies** of the technical proposal and **one (1) copy** of the financial proposal in a sealed envelope to: *Address:* IDRC, 150 Kent St., Tower III, 3rd Floor, Mailroom, Ottawa, ON, K1P 0B2, *Attention:* Brenda Cardinal, *Reference:* **RFP # 15160010 Internal Audit Services**

5.3.3 Changes to Submission

Changes to the submitted proposal can be made, if required, provided they are received as an Addendum (or an Amendment) to, or clarification of, previously submitted proposal, or as a complete new proposal to cancel and supersede the earlier proposal. The addendum, clarification, or new proposal should be submitted as per the delivery instructions outlined above, be clearly marked "**REVISION**", and **must be received no later than the submission deadline**. In addition, the revised proposal should include a description of the degree to which the contents are in substitution for the earlier proposal.

5.3.4 Multiple Proposals

Proponents interested in submitting more than one proposal may do so, providing that each proposal stands alone and independently complies with the instructions, conditions and specifications of this RFP.

5.4 VALIDITY OF PROPOSAL

Proposals must remain open for acceptance for **ninety (90) days** after the close date.

5.5 PROPONENTS COSTS

All costs and expenses incurred by a Proponent in any way related to the Proponent's response to the RFP, including but not limited to any clarifications, interviews, presentations, subsequent proposals, review, selection or delays related thereto or occurring during the RFP process, are the sole responsibility of the Proponent and will not be chargeable in any way to IDRC.

5.6 GOVERNING LAWS

This RFP is issued pursuant to the laws of the province of Ontario and the laws of Canada.

5.7 CONFLICT OF INTEREST

In submitting a Proposal, the Proponent must avoid any real, apparent or potential conflict of interest and will declare to IDRC any such conflict of interest.

In the event that any real, apparent, or potential conflict of interest cannot be resolved to the satisfaction of IDRC, IDRC will have the right to immediately reject the Proponent from consideration and, if applicable, terminate any Contract entered into pursuant to this RFP.

5.8 RIGHTS OF IDRC

IDRC does not bind itself to accept any proposal submitted in response to this RFP, and may proceed as it, in its sole discretion, determines following receipt of proposals. IDRC reserves the right to accept any

proposal(s) in whole or in part, or to discuss with any Proponents, different or additional terms to those envisioned in this RFP or in such a Proponent's proposal.

After selection of preferred proposal(s), if any, IDRC has the right to negotiate with the preferred Proponent(s) and, as a part of that process, to negotiate changes, amendments or modifications to the proposal(s) at the exclusion of other Proponents.

Without limiting the foregoing, IDRC reserves the right to:

- a. seek clarification or verify any or all information provided by the Proponent with respect to this RFP, including, if applicable to this RFP, contacting the named reference contacts;
- b. modify, amend or revise any provision of the RFP or issue any addenda at any time; any modifications, amendment, revision or addendum will, however, be issued in writing and provided to all Proponents;
- c. reject or accept any or all proposals, in whole or in part, without prior negotiation;
- d. reject any proposal based on real or potential conflict of interest;
- e. if only one proposal is received, elect to accept or reject it;
- f. in its sole discretion, cancel the RFP process at any time, without award, noting that the lowest or any proposal will not necessarily be accepted;
- g. negotiate resulting Contract terms and conditions;
- h. cancel and/or re-issue the RFP at any time, without any liability whatsoever to any Proponent;
- i. award all or any part of the work to one or more Proponents based on quality, services, and price and any other selection criteria indicated herein; and
- j. retain all proposals submitted in response to this RFP.

5.9 PROPOSED CONTRACT

5.9.1 Resulting Contract

Annex A has been provided as part of the RFP documents so that Proponents may review and become familiar with certain specific conditions that are expected to be adhered to in connection with the provision of services. While some of the language may be negotiated between IDRC and the successful Proponent, IDRC's flexibility to amend its standard terms and conditions may be limited.

Important note: The Proponent should outline any objections with reasons to any terms and conditions contained in this RFP and include them in its proposal. Failure to identify objections at the proposal stage may preclude Proponents from raising these objections in the course of any future negotiations.

5.9.2 Income Tax Reporting Requirement

As a Crown Corporation, IDRC is obligated under the Canadian Income Tax Act and Regulations to report payments made by IDRC to suppliers. IDRC must therefore obtain the necessary information from suppliers and will request from the Lead Proponent to complete and sign the appropriate form(s) prior to execution of any Contract.

Annex A through F (attached as separate documents)

ANNEX A – Resulting Contract Terms and Conditions

ANNEX B – Mandatory Requirements Checklist

ANNEX C – Rated Requirements Checklist

ANNEX D – 2014-2017 Internal Audit Plan

ANNEX E – 2015-2016 Annual Internal Audit Plan

ANNEX F – Internal Audit Charter

ANNEX A – RESULTING CONTRACT TERMS AND CONDITIONS

A1. Definitions

For the purposes of this Contract:

Commencement Date shall mean the date on which the services described in the Contract are to commence.

Confidential Information shall mean any and all technical and non-technical information including patent, copyright, trade secret, and proprietary information, techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, source codes, and formulae related to the current, future, and proposed products and services of the Centre, and includes, without limitation, the Centre's information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, and marketing plans and information.

Consultant shall mean either the individual, institution, corporation or partnership retained pursuant to this Contract, and its employees, directors, officers, partners, sub-Contractors and agents, as applicable, and any other representative for whom the Consultant is responsible at law.

Day shall mean eight hours of work when working in the city or country of the Consultant's principal place of business and ten hours when working in a city or country away from the Consultant's principal place of business.

Termination Date shall mean the earlier of **(a)** the date on which the final contract outputs described in the Payments section of this Contract have been delivered, and **(b)** the date on which the Contract automatically terminates by operation of the Termination provisions contained in this Contract.

A2. Entire Contract

This Contract supersedes all previous Contracts and correspondence, oral or written, between the Centre and the Consultant, and represents the whole and entire understanding between the parties.

A3. Conditions Precedent and Terms of Payment

The following sets out the conditions precedent that the Consultant must comply with to ensure payment for services pursuant to this Contract:

- a) Completion and delivery of the information requested in the **Supplier, Tax and Bank Information form** appended to this Contract.
- b) Satisfactory delivery of all Contract outputs, as per the **Terms of Reference and Schedule section** of this Contract.
- c) Proper completion of invoice(s) to set out:
 - Centre Contract number contained in the subject header of the Contract;
 - Invoice number;
 - Invoice Date;
 - Fees (daily rate and number of days or unit rate and number of units or fixed price);

Detailed expenses as stipulated in the **Expenses section** of the Contract;
GST (Goods and Services Tax) or HST (Harmonized Sales Tax), as applicable –Consultants not registered for Canadian GST purposes must itemize the taxes they paid; and
GST/HST registration number, if applicable.

Subject to the terms set out in the **Payment section** of this Contract and the above conditions being met, the Centre will issue payment of fees and expenses according to the Centre's standard payment period of **thirty (30) calendar days**. *The payment period is measured from: the date the Centre receives the duly completed Supplier, Tax and Bank Information form, or the date the Centre receives an acceptable invoice, or the date the work is delivered in acceptable condition as required in the Contract, whichever is latest.* If the content of the invoice or the requisite form is incomplete or the work is not acceptable, the Consultant will be notified and the payment period will be deferred until all deficiencies have been rectified to the Centre's satisfaction.

The Centre will reimburse the Consultant for any applicable GST or HST, only if the fees and expenses on which taxes are claimed are net of any input tax credit the Consultant is entitled to claim from Canada Revenue Agency.

Notwithstanding the above, if the Centre provided an advance to the Consultant for expenses, such advance must be deducted from subsequent invoice totals. If the amounts advanced are found to exceed the final invoice total, the Consultant must refund the balance to the Centre upon submitting the final invoice, which must be no later than thirty (30) calendar days following the Termination Date.

The Centre will not pay more than one day of fees per 24-hour period. The Centre will not pay any fee nor any expenses incurred after the termination date of the contract.

Following the Termination Date, and payment of the final invoices, all taxes due and owing in relation to the provision of services pursuant to this Contract are deemed to have been paid by the Centre. The Consultant will be liable for any tax claims, debts, actions or demands in relation to the services provided pursuant to this Contract (hereinafter referred to as "Tax Claims") and the Consultant shall indemnify and hold the Centre harmless against said Tax Claims.

A4. Tax Implications

The Canada Revenue Agency (CRA) is responsible for the administration of the GST or HST and income tax regulations. Contact CRA to discuss questions, concerns or obtain current regulations especially with respect to refunds or credits. The main CRA website can be found at <http://www.cra-arc.gc.ca>.

a) Non-Resident Consultants

Notwithstanding anything to the contrary in this Contract, the Centre will ***withhold 15% of fees and non-exempt expenses of non-resident Consultants working in Canada*** unless they hold a contract-specific waiver from the CRA. The Centre will transmit the funds withheld to CRA, in accordance with the income tax regulations of Canada. Such funds can be reclaimed by the consultant from the CRA or from their own governments as the case may be.

b) Consultants Hired by a Centre Regional Office working in the country where the Regional Office is located

Regional offices of the Centre issuing Contracts will apply the national fiscal regulations relevant to the hiring of local Consultants.

A5. Air Travel Policy (if travel is applicable to the Contract)

The Centre's policy is that all air travel be prepaid. All Contract personnel must travel economy class by the most direct and economical routing (taking advantage where possible of excursion fares). The Consultant is free to reroute or upgrade, where possible, at his or her own expense and settle any additional cost directly with the travel agency or airline.

Consultants will receive their ticket(s) via electronic ticketing.

Under no circumstances will the Centre entertain the Consultant making his or her own reservations and billing the Centre.

A6. Confidentiality of Information

a) Non-Disclosure and Non-Use of Confidential Information

The Consultant agrees that it will not, without authority, make use of, disseminate or in any way disclose any Confidential Information to any person, firm or business.

The Consultant shall take all reasonable precautions at all times (and in any event, efforts that are no less than those used to protect its own confidential information) to protect Confidential Information from disclosure, unauthorized use, dissemination or publication, except as expressly authorized by this Contract.

The Consultant agrees that it, he, or she shall disclose Confidential Information only to those of its, his, or her employees or subcontractors who need to know such information and certifies that such employees or subcontractors have previously agreed, either as a condition to employment or service or in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to those of this Contract.

The Consultant will immediately give notice to the Centre of any unauthorized use or disclosure of the Confidential Information. The Consultant agrees to indemnify the Centre for all damages, costs, claims, actions and expenses (including court costs and reasonable legal fees) incurred by the Centre as a result of the Consultant's failure to comply with its obligations under this section, and the Consultant further agrees to defend and participate in the defence of any claim or suit alleging that the Centre has a liability with respect to any confidential information it may have acquired from a third party; with regard to any unauthorized disclosure, provision or making available of any such Confidential Information.

b) Exclusions from Nondisclosure and Non-use Obligations

The Consultant's obligations under the preceding subsection (A6.a) with respect to any portion of the Confidential Information shall terminate when the Consultant can document that:

- i. it was in the public domain at or subsequent to the time it was communicated to the Consultant by the Centre through no fault of the Consultant;
- ii. it was rightfully in the Consultant's possession free of any obligation of confidence at or subsequent to the time it was communicated to Consultant by the Centre; or
- iii. it was developed by the Consultant, its employees or agents independently of and without reference to any information communicated to the Consultant by the Centre.

A disclosure of Confidential Information (a) in response to a valid order by a court or other governmental body, (b) otherwise required by law, or (c) necessary to establish the rights of either party under this Contract, shall not be considered to be a breach of this Contract or a waiver of confidentiality for other purposes; provided, however, that the Consultant shall provide prompt written notice thereof to enable the Centre to seek a protective order or otherwise prevent such disclosure.

c) Ownership of Confidential Information and Other Materials

All Confidential Information and any Derivatives thereof, whether created by the Centre or the Consultant, remain the property of the Centre and no license or other rights to Confidential Information is granted or hereby implied.

For purposes of this Contract, "Derivatives" shall mean:

- i. for copyrightable or copyrighted material, any translation, abridgement, revision, or other form in which an existing work may be recast, transformed, or adapted;
- ii. for patentable or patented material, any improvement thereon; and
- iii. for material which is protected by trade secret, any new material derived from such existing trade secret material, including new material which may be protected by copyright, patent, and/or trade secret.

The Consultant shall, on request, promptly return to the Centre all of its proprietary materials together with any copies thereof.

This section shall survive the termination of this Contract.

A7. Use of Centre Property

a) Access to Information Systems and Electronic Communication Networks

During the course of this Contract, the Consultant may be provided with access to Centre information systems and electronic communication networks. The Consultant, on behalf of its/his/her employees, sub-Contractors and representatives, agrees to abide by Centre policies concerning use of such information systems and networks. The Centre will provide the Consultant with any such policies upon commencement of services pursuant to this Contract, or as such policies are put into effect, and the Consultant will make such policies known to its personnel, and will take such steps as are necessary to ensure compliance with such policies.

b) Access to Centre Premises

The parties agree that reasonable access to the Centre's premises by Consultant's authorized personnel and which is necessary for the performance of the services hereunder, in accordance with the terms of this contract, shall be permitted during normal business hours of the Centre. The Consultant agrees to observe all Centre security requirements and measures in effect at the Centre's premises to which access is granted by this agreement.

A8. Relationship with the Centre

Nothing in this Agreement shall be deemed in any way or for any purpose to constitute the parties hereto partners in the conduct of any business or otherwise. The Consultant shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of the Centre, or to bind the Centre in any manner whatsoever.

The Consultant acknowledges and agrees that, in carrying out this Contract, the Consultant is acting as an independent contractor and not as an employee of the Centre. The Contractor shall be responsible for all matters related to it or its employees, as the case may be, including but not limited to deducting or remitting income tax, Canada Pension Plan contributions, Employer Insurance contributions or any other similar deductions required to be made by law for employees. The Consultant agrees to indemnify the Centre in respect of any such remittances which may be subsequently required by the relevant authorities, together with any related interest or penalties which the Centre may be required to pay.

The Consultant is free to provide its services to others during the course of this Contract, provided however, the Consultant fully respects the commitments made to the Centre pursuant to this Contract, including all completion dates and deadlines for tasks and deliverables as may be indicated in the **Terms of Reference** and **Schedule sections** of the contract.

A9. Quality of Work

The consultant covenants that it will provide its services pursuant to this agreement in a diligent and workmanlike manner, with regard to the best interests of the Centre, and warrants that its personnel possess the skill and experience necessary to the satisfactory performance of the work contracted for.

A10. Assignment of Copyright and Waiver of Moral Rights

In consideration of the fees paid, the Consultant, its employees, sub-Contractors, successors and assignees expressly agree to assign to the Centre any copyright arising from the works (including audio-visual material, software, documents, books, pamphlets, memoranda or reports, including translations) the Consultant produces while executing this Contract. The Consultant hereby agrees to waive in favour of the Centre any moral rights in the works. The Consultant shall secure any additional waivers of moral rights in the works in favour of the Centre, from personnel and sub-contractors, as appropriate.

Furthermore, the Consultant may not use, reproduce or otherwise disseminate or authorize others to use, reproduce or disseminate such works without the prior written consent of the Centre.

A11. Patent, Trade Mark, Trade Secret and Copyright Infringement

The Consultant covenants that no services or materials to be provided to the Centre under this agreement will infringe upon or violate the rights of any third parties, including such parties' intellectual property rights. Without limiting the generality of the foregoing, the Consultant represents and warrants that no services or materials provided pursuant to this agreement will infringe any existing patent, trade mark, trade secret or copyright registered or recognized in Canada or elsewhere, with respect to or in connection with the intended use of the services or materials by the Centre.

The Consultant agrees to indemnify and hold the Centre harmless from and against any and all damages, costs, and expenses (including court costs and reasonable legal fees) incurred by the Centre as a result of the infringement or alleged infringement of any third party intellectual property rights, and further agrees to defend and participate in the defence of any claim or suit alleging that the Centre has a liability in this regard.

This section will survive termination of the contract.

A12. Sub-Contractors, Successors and Assignees

The Consultant is prohibited from entering into any sub-contract, designating any successor or assigning any rights under this Contract without the express written consent of the Centre.

A13. Conflict of Interest

The Consultant must avoid participating in activities or being in situations that place it, him, or her, in a real, potential or apparent conflict of interest that has the potential of influencing the contract outputs being contemplated by this Contract.

The Consultants must not accept, directly or indirectly, for themselves or on behalf of any person or organization with whom they are in a close social, family or economic relationship, any gift, hospitality, or other benefit from any person, group, or organization having dealings with the Centre where such gift, hospitality, or other benefit could reasonably foreseeably influence the Consultant in the exercise of its, his or her official duties and responsibilities pursuant to this Contract.

A14. Insurance

The Consultant is responsible for taking out at its own expense any insurance (business, travel, hospitalization, medical, trip cancellation or other) deemed necessary while executing this Contract.

A15. National Legislation

In performing services under this Contract, the Consultant shall be responsible for complying with all legislation of the country (countries) in which it, he, or she must work (including but not limited to laws pertaining to immigration, taxation, customs, employment and foreign exchange control).

It is the individual's responsibility to comply with the travel visa regulations of any country visited or in transit.

The overhead (included in fees) and allowances paid under this Contract include provision for complying with national legislation of the countries the Consultant may visit (including Canada). The Centre will not entertain any claim for work visas, work permits, etc., or any other costs relating to compliance with the national legislation of any country in the world.

A16. Severability

The provisions of this Contract are severable and the invalidity or ineffectiveness of any part shall not affect or impair the validity and effectiveness of remaining parts or provisions of this Contract.

A17. Interpretation of the Contract

This Contract shall be governed and construed in accordance with the laws of the Province of Ontario, Canada. Where a dispute cannot be resolved by mutual agreement, the parties agree that any legal action or claim must be brought before the courts of the Province of Ontario, Canada, which will have exclusive jurisdiction over all such actions and claims.

A18. Non-Waiver

Failure by a party to enforce any right or to exercise any election provided for in this Contract shall not be considered a waiver of such right or election. The exercise of any right or election of this Contract shall not preclude or prejudice a party from exercising that or any other right or election in future.

A19. Notices

Any notices, requests, demands or other communication relating to this Contract shall be in writing and may be given by:

- a) hand delivery;
- b) commercial courier;
- c) facsimile;
- d) registered mail, postage prepaid; or
- e) email.

Any notice so sent shall be deemed received as follows:

- a) if hand delivered, on delivery;
- b) if by commercial courier, on delivery;
- c) if by registered mail, three (3) business days after so mailing;
- d) if by facsimile, upon receipt. The initial address and facsimile number for notice are set out in this Contract and may be changed by notice hereunder; and
- e) if email, on delivery.

A20. Language

The parties have requested that this Contract and all notices or other communications relating thereto be drawn up in English. Les parties ont exigé que ce contrat ainsi que tous les avis et toutes autres communications qui lui sont relatifs soient rédigés en anglais.

A21. Force Majeure

The Consultant may interrupt any service by notice to the Centre if prevented from providing the service by reason of strikes, lockout or other labour disputes (whether or not involving the Consultant's employees), floods, riots, fires, acts of war or terrorism, explosions, travel advisories or any other cause, whether or not a superior force, beyond Consultant's reasonable control. During any such interruption, the Centre shall not be obliged to pay the rates associated with such interruption of service and may terminate this Contract as upon providing 10 calendar days' written notice or as otherwise contemplated by the Contract.

A22. Termination

This Contract may be terminated in its entirety or in part by the Centre for any reason whatsoever without any further obligation to the Centre upon **providing at least ten (10) working days' advance written notice**.

In addition, this Contract shall immediately terminate without notice if the Consultant:

- a) ceases to carry on business;
- b) commits an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act (Bankruptcy and Insolvency Act, R.S., 1985, c. B-3) or is deemed insolvent within the meaning of the Winding-up and Restructuring Act (Winding-up and Restructuring Act, R.S., 1985, c. W-11) or makes an assignment, against whom a receiving order has been made under the

applicable bankruptcy legislation or in respect of whom a receiver, monitor, receiver-manager or the like is appointed; or

- c) becomes insolvent or makes an application to a court for relief under the Companies' Creditors Arrangement Act, the Bankruptcy and Insolvency Act or the Winding Up and Restructuring Act (Companies' Creditors Arrangement Act, R.S., c. C-25) or comparable local legislation.

A23. Centre Review and Audit

The Consultant agrees, if the Centre so requests at any time up to two years following the Termination date to:

- a) submit a complete financial accounting of expenses, supported by original (or certified copies of) invoices, timesheets or other documents verifying the transactions (excluding any receipts which have been submitted at the time of invoicing as deemed necessary according to the terms of the Contract); and
- b) give officers or representatives of the Centre reasonable access to all financial records relating to the work to permit the Centre to audit the use of its funds. This shall include books of account, banking records and, in the case of individuals, credit card statements.

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ANNEX B – Mandatory Requirements Checklist

As stated in **Section 3.2.1 Mandatory Requirements**, to qualify as an eligible Proponent, you must meet all the following requirements.

As stated in **Section 4.5.2 Response to the Statement of Work**, the Proponent must provide detailed information relative to each requirement.

All references to bilingual refer to English and French.

A MS Word version is available upon request to the contract Authority listed on cover page of this document.

	Mandatory Requirements	Compliant (yes or no)	Response
M1.	At least five (5) years demonstrated sustained capacity and experience in providing internal audit, consulting and advisory services within the meaning of IDRC’s Internal Audit charter to Canadian Federal Institutions or Canadian Crown Corporations.		
M2.	Demonstrated ability to provide core audit teams that function verbally and in writing in both official languages. At minimum at least one member of each proposed audit team must be able to function in both official languages.		
M3.	Confirm resource availability in Ottawa and regional office cities (Cairo-Egypt, New Delhi-India, Nairobi-Kenya, and Montevideo-Uruguay) who work directly for Proponent organization (sub-contractors will not be accepted).		
M4.	Provide curriculum vitae for principal interlocutor (and his or her alternate) and proposed staff that meet the following requirements: Partner/Managing Director (Principal Interlocutor) - 9+ years of relevant* experience and professional qualifications (namely registration in one of the accounting bodies recognized by any Canadian providence – CA, CGA, or CMA). Project Manager / Leader - 7+ years of relevant* experience and designated professional**. Senior Auditor - 4+ years of relevant* experience and designated professional**.		

	<p>Auditor - 1+ years of relevant* experience and working towards professional designation**.</p> <p><i>* Relevant experience is internal audit, external audit or a relevant subject matter area including financial management, IM or IT etc.</i></p> <p><i>** Professional Designation includes: CA, CMA, CGA, CIA, CGAP or CISA</i></p>		
<p>M5.</p>	<p>Client references must be provided for previous work performed which is similar to the scope of work described in section 2.4:</p> <ul style="list-style-type: none"> • Two references for the Partner/Managing Director and principal and alternate interlocutors. • Two references for the Project Manager(s)/Leader(s). • One reference for all other proposed resources. <p>This shall include: company name, client contact name, contact title, contact telephone number, email address, services period, and brief description of services provided.</p> <p>IDRC will contact references for lead proponent only.</p>		
<p>M6.</p>	<p>Provide two (2) resource scenarios providing the internal audit service requirements for each of the following engagements:</p> <ul style="list-style-type: none"> • Values and Ethics Review • Audit of Latin America and Caribbean Regional Office • Information Technology General Controls (ITGC) Audit • 2017-2020 Risk Based Internal Audit Plan <p>Proposed engagement are presented to you for bidding purposes only and may be subject to change following the selection process.</p> <p>Resource scenarios must include the following information by audit phase (planning, fieldwork and reporting):</p> <ul style="list-style-type: none"> • Estimated days for each resource (based in a 7.5 hour working day) • Key responsibilities and deliverables for each resource 		

	<ul style="list-style-type: none"> All assumptions must be stated 		
M7.	Proponent's Canadian representatives must possess current Government of Canada security clearance to the Reliability level.		
M8.	Proponent must declare any real, apparent or potential conflict of interest and will declare to IDRC any such conflict of interest. In the event that any real, apparent, or potential conflict of interest cannot be resolved to the satisfaction of IDRC, IDRC will have the right to immediately reject the Proponent from consideration of this RFP.		

ANNEX C – Rated Requirements Checklist

As stated in **Section 3.2.2 Rated Requirements**, the following requirements will be evaluated according to the degree to which they meet or exceed IDRC’s requirements.

As stated in **Section 4.5.2 Response to the Statement of Work**, the Proponent **must provide detailed information relative to each requirement**.

All references to bilingual refer to English and French.

All fee implications related to the responses must be identified in the financial proposal. In order to obtain technical points for their bid submission, Proponents must respond to the corresponding rated requirement by providing a description explaining, demonstrating, substantiating, or justifying their capability or approach to meet the requirement. Proponents’ responses should be relevant, thorough, clear, and concise.

In addition to any other obligations contained in the resulting contract, the Proponent has been awarded technical points and will be contractually obligated to provide all services described in any of its responses to this Annex, in accordance with and at the prices contained in the Proponent’s Financial Proposal. Each rated technical criterion should be addressed separately.

A MS Word version is available upon request to the contract Authority listed on cover page of this document.

	Rated Requirements	Response
R1.	<p>Maximum Points: 15</p> <p>Demonstration of Proponents knowledge and understanding of IDRC as a Crown Corporation and its governance and accountability structure; and apply that knowledge to describe how internal audit can provide value to IDRC and contribute to the achievement of the Strategic Plan 2015-2020 through a range of internal audit services.</p> <p>Points will be awarded in the following way: 0% = No information provided 25% = Information provided demonstrates a minimal understanding of the requirement and value proposition has significant weaknesses 50% = Information provided somewhat demonstrates a good understanding and value proposition has little to no weaknesses 75% = Information provided demonstrates a good understanding and value proposition has no weaknesses 100% = Information provided demonstrates an in depth and accurate understanding of the requirements and value proposition is clear, achievable and appropriate</p>	

<p>R2.</p>	<p>Maximum Points: 15 Proposed approach and methodology for providing a range of internal audit services appropriate for IDRC given its mandate and size.</p> <p>Points will be awarded in the following way: 0% = No information provided 25% = Weak approach and methodology based loosely on recognized standards 50% = Somewhat good approach and methodology based on recognized standards 75% = Good approach and methodology based on recognized standards 100% = Approach and methodology are clear, easily applied, appropriate for IDRC and are in line with applicable and recognized standards and guidelines</p>	
<p>R3.</p>	<p>Maximum Points: 10 Experience and capacity of the firm to undertake the full range of IDRC's program of Internal Audit work both in Canada and abroad. Assessment will be based on:</p> <ul style="list-style-type: none"> • Two project summaries each demonstrating relevant* internal audits conducted by the proponent within the last three years under the categories of i) financial; ii) program; iii) IT related audits and iv) business unit or operational (eight project summaries in total). • Corporate business model of proponent's Ottawa office including: number of employees by resource level (see definitions of resource levels in section 2.4.2) and service area. • A company or firm profile demonstrating the capacity to provide prospectively for the replacement of team members and senior level staff continuity over at least a three (3) year period. • Alternative or supplementary staff resources available in subsidiary offices or centres of excellence in Canada and in countries or regions where IDRC has regional offices and method of contracting with these offices. <p>* Relevant is defined as having experience in providing internal audit, external audit or a relevant subject matter area including financial management , IM, IT, etc. to Crown Corporations, international organizations, or NGO's with an international presence in Canada, Egypt, India, Kenya and Uruguay.</p> <p>Points will be awarded in the following way:</p>	

	<p>0% = No information provided</p> <p>25% = Experience and capacity are not clearly demonstrated or not considered to be relevant to IDRC</p> <p>50% = Experience and capacity are somewhat clearly described and relevant</p> <p>75% = Experience and capacity are clearly described and relevant</p> <p>100% = Experience and capacity are clearly described, extremely relevant and viable</p>	
R4.	<p>Maximum Points: 15</p> <p>Capability of proposed resources to undertake IDRC's Internal Audit plan including linguistic profile, Government of Canada security clearance levels, and relevant* experience and qualifications of individuals proposed demonstrated in a curriculum vitae.</p> <p>* Relevant is defined as having experience in providing internal audit, external audit or a relevant subject matter area including financial management , IM, IT, etc. to Crown Corporations, international organizations, or NGO's with an international presence in Canada, Egypt, India, Kenya and Uruguay</p> <p>Points will be awarded in the following way:</p> <p>0% = No information provided</p> <p>25% = Capability, experience and qualifications of proposed individuals is not clear or relevant</p> <p>50% = Capability, experience and qualifications of proposed individuals is somewhat clear and relevant</p> <p>75% = Capability, experience and qualifications of proposed individuals is clear and relevant</p> <p>100% = Capability, experience and qualifications of proposed individuals are clearly described, extremely relevant and exceed the Mandatory Requirements</p>	
R5.	<p>Maximum Points: 15</p> <p>Proposed approach and description of responsibilities for key roles related to project management in the following areas:</p> <ul style="list-style-type: none"> • Performance management • Client relationship management and satisfaction • Quality assurance • Communication <p>Points will be awarded based on feasibility and alignment to recognized standards in the following way:</p> <p>0% = No information provided</p> <p>25% = Response is not feasible and not aligned to recognized standards</p>	

	<p>50% = Response is somewhat clear, feasible and aligned to recognized standards</p> <p>75% = Response is clear feasible and aligned to recognized standards</p> <p>100% = Response is very clear, easily implemented, effective and aligned to best practices.</p>	
<p>R6.</p>	<p>Maximum Points: 10</p> <p>Appropriateness and best value of resource scenarios (see Annex B, M6) to meet IDRC needs and help RMIA complete its schedule of audits on time and on budget.</p> <p>Points will be awarded in the following way:</p> <p>0% = No information provided</p> <p>25% = Response is not practical, successful completion of engagements is doubtful and value would not be provided to RMIA and IDRC</p> <p>50% = Response is somewhat practical, engagements would probably be completed, little or no value would be provided to RMIA and IDRC</p> <p>75% = Response is practical, engagements would be successful and value would be provided to RMIA and IDRC</p> <p>100% = Response is clear and practical, engagements would be completed successfully and value to RMIA and IDRC is easily demonstrated</p>	

ANNEX D
RISK MANAGEMENT & INTERNAL AUDIT
2014-2017 INTERNAL AUDIT PLAN

IDRC

FINANCE AND AUDIT COMMITTEE – JUNE 2014

Risk Management and Internal Audit

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EXECUTIVE SUMMARY

This report lays out the three year Internal Audit work plan for the International Development Research Centre (IDRC or “Centre”). The plan has been reviewed by IDRC’s Senior Management and submitted for approval by the Finance and Audit Committee (FAC) of the Board of Governors in June 2014. It will be updated annually and progress made in achieving the results of the plan will be reported to the two committees on a bi-annual basis.

This plan is an update of the 2011-2014 Internal Audit Plan and has been developed based on consultations with the IDRC President and Vice-Presidents and a review of key corporate documents. The 2014-2017 Internal Audit Plan also contains audits carried forward from the previous plan that have not been completed and remain relevant to the Centre’s internal and external environment. Specifically, the following audit and review engagements are carried forward.

Audit and Review Engagements *	Activity for 2014-15	Report Date	Budget for 2014-2015
Previously Approved Audits:			
Asian Regional Office Audit (ARO)	Reporting	June 2014	\$0
Audit of IDRC’s Annual Planning & Resource Allocation Process	Reporting	June 2014	\$5,000
IT Security Audit	Planning, Execution, Reporting	November 2014	\$70,000
Grant Administration Audit	Planning, Execution, Reporting	March 2015	\$75,000
Regional Office for Sub-Saharan Africa (ROSSA) Audit	Planning, Execution, Reporting	March 2015	\$54,000
Total			\$204,000

* The above audits were presented to the Finance and Audit Committee on March 14th, 2014 and June 16, 2014 as part of the 2014-2015 Annual Internal Audit Work plan.

The 2014-2017 Internal Audit Plan presents the audit and review engagements for the Centre over the next three years. The audit universe as well as the risk assessment will be reviewed on an annual basis to confirm that the engagements identified from this exercise continue to be relevant to the Centre. The three year plan proposes 12 audit engagements that address IDRC’s highest risk areas and the business processes that are most important to support the Centre’s objectives.

An External Quality Assessment (QA) is currently underway. Any observations resulting from the QA will also be incorporated, as appropriate, as part of the annual review and update of this plan.

IDRC'S INTERNAL AUDIT STRATEGY

OVERSIGHT AND REPORTING OF INTERNAL AUDIT FUNCTION

Internal Audit at IDRC is governed by a Board approved *Internal Audit Charter* that defines the purpose of the function, the scope and nature of the work it undertakes and its organizational independence. The charter also sets out Internal Audit's independence, accountability and responsibility within the organization.

The Chief Audit Executive is IDRC's Director of Risk Management and Internal Audit (RMIA) who has the authority and responsibility to conduct internal audits. This position reports administratively to the President of IDRC and is accountable to the Finance and Audit Committee (FAC) for the conduct of the internal audit plan. The Chief Audit Executive, staff and consultants do not assume any responsibility or authority over any Centre activities outside of the Risk Management and Internal Audit unit.

RISK MANAGEMENT AND INTERNAL AUDIT

IDRC recognizes the inherent relationship between risk management and internal audit. Consequently, its Chief Audit Executive is also responsible for supporting effective risk management within IDRC. The role that the Chief Audit Executive plays in risk management is defined in IDRC's Risk Management Policy and includes providing support and advice to the President; facilitating and coordinating the Centre's approach to risk management and monitoring and reporting on corporate level risks. The areas do not include any responsibility for managing or making decisions on corporate risk and are in line with guidance provided by the Institute of Internal Auditors (IIA).

EXTERNAL AND INTERNAL RESOURCES

A share of IDRC's audit and advisory work is conducted by external auditing resources. To maximize the value of these resources IDRC has entered into a long term partnership with one firm, which provides approximately half of IDRC's required internal audit services.

THE PLANNING CONTEXT

The Centre is in its last year of the 2010-2015 Strategic Framework. Senior Management and the Board of Governors have started the process of creating a new plan and a draft 2015-2020 plan is expected to be completed in the fall.

Auditing standards adopted by IDRC require the review of its Internal Audit function every five years. This was conducted in recent months and a report is expected to be presented to the Finance and Audit Committee in June 2014. This will allow management and the Board to consider the level of internal audit services it wishes to have, its business model and how the unit will be resourced.

The Office of the Auditor General (OAG) of Canada is expected to begin its Special Examination in 2017 as the last one was completed in 2008.

These factors each represent significant organizational changes on the horizon that will impact internal audit planning. In response to this, this plan will be evaluated and updated on an annual basis to respond to a changing environment.

INTERNAL AUDIT PLAN APPROACH

AUDIT UNIVERSE

An audit universe represents the potential range of all audit activities and is comprised of a number of auditable entities. No substantial changes to the Centre's key business processes and organizational chart were noted during this plan update except for the consolidation of regional offices.

RISK ASSESSMENT

A full risk assessment was not carried out as part of the development of this 2014-2017 Internal Audit Plan. This plan is an update of the 2011-2014 Internal Audit Plan and has been developed based on consultations with the IDRC President and Vice-Presidents, a review of key corporate documents and the consideration of potential fraud risk. Specifically, this risk assessment leverages the last audit plan, the most recent Corporate Risk Profile (CRP) and a review of audits completed over the last ten years. Based on feedback obtained from senior management and the Finance and Audit Committee, it was noted that there was an appetite for RMIA to provide assurance focused on financial stewardship and financial probity which is reflected in the 2014-2017 Internal Audit Plan. This Plan also contains audits carried forward from the previous plan that have not been completed and remain relevant to the Centre's internal and external environment.

Feedback from senior management also highlighted a lower risk ranking of the regional offices from previous years given their limited budget and the centralization of many key controls for business processes. In the past, the scope of audits of business processes performed at headquarters (HQ) did not include regional office (RO) activities. Moving forward, where an audit of a business process is common across the entire Centre, both HQ and RO activities will be included. This will allow regional office audits to target risks and processes unique to the RO, thereby reducing the scope of RO audits and minimizing the period of time the audit team would be required on site.

REPORTING

This plan will be updated on an annual basis, and presented for approval at the March Finance and Audit Committee meetings. IDRC's progress in completing the plan will continue to be reported to the Finance and Audit Committee through its Annual Activity Report at the February Finance and Audit Committee meeting.

THE 2014-2017 INTERNAL AUDIT PLAN

OVERVIEW

This plan is intended to help IDRC achieve its business objectives by providing assurance and advice on the efficiency and effectiveness of management controls, its risk management practices and the soundness of its reporting and governance processes.

The following table provides a summary of the proposed audit engagements over the next three year period. It is broken down by audit universe area and includes a brief description of the audit as well as the year that it will be reported to FAC. A more detailed description of the internal audits can be found in Annex 1.

TABLE 1: SUMMARY 2014-2017 INTERNAL AUDIT PLAN

Audit or Review Engagement	Description	2014-15	2015-16	2016-17
Corporate Operations (CO)				
Audit of IDRC's Annual Planning & Resource Allocation Process	This audit is currently in the reporting phase and is scheduled to be presented to FAC in June 2014.	X		
Integrated Risk Management Review	Carried forward from 2011-2014 internal audit plan. This review should be completed after the External Assessment of the Internal Audit Function. This review would include all of IDRC's key risk management processes including: Corporate, Program, Donor and Institutional Risk Assessment Processes.		X	
Ethics Review	This audit was carried forward from the 2011-2014 audit plan. The internal audit activity must evaluate the design, implementation and effectiveness of the organization's ethics-related objectives, programs and activities.			X
Information Management and Information Technology (IMIT)				
IT Security Audit	Carried forward from 2011-2014 internal audit plan. The objective of the audit is to assess the adequacy of IT Security at IDRC, including compliance with policy requirements. Scheduled to be presented to FAC in November 2014.	X		
Program Management (PM)				
Grant Administration Audit	This audit was carried forward from the 2011-2014 Internal Audit Plan and is scheduled to be presented to FAC in March 2015. A detailed risk assessment is currently underway to help define the scope and objectives of the audit. This includes a review of processes and procedures in place within GAD to manage granting modalities, financial monitoring of projects and help with capacity building of grantees.	X		
Follow-up to Development Innovation Fund (DIF) Audit	Follow-up on DIF management responses and actions in response to recommendations made in the audit report.			X
Administrative Processes (AP)				
Travel Management Audit	This audit was carried forward from 2011-2014 Internal Audit Plan. A new Travel Authorization System was launched in November 2013. This audit was delayed in order to have a significant audit period to test from. Planning would start in December 2014 and the report is scheduled to be presented to FAC in November 2015. Past internal audits have reviewed aspects of IDRC's travel but the new system and overall compliance with policies has not been examined.		X	
Financial Management				
Audit of Senior Management Expenses	FAC and senior management identified a need for assurance over financial processes, particularly focused around stewardship and probity. The Office of the Auditor General (OAG) is planning to include senior management expenses in their 2014-2015 annual audit. This audit would therefore utilize this work and focus on areas not covered by the OAG such as reviewing senior		X	

	management expenses reported on IDRC's public website to test for accuracy.			
Audit of Internal Controls Over Financial Reporting to Donors	Identified as a medium priority area. Audits over revenue and expenditure controls that support monitoring and reporting to senior management were carried out in 2008. This audit will look at internal controls in place around revenue and expenditure reporting to donors.			X
Human Resource Management				
Staff Recruitment and Development Audit	(Cancelled)			
Regional Offices				
Asian Regional Office (ARO) Audit	This audit is currently in the reporting phase and is scheduled to be presented to FAC in June 2014.	X		
Regional Office for Sub-Saharan Africa (ROSSA) Audit	Last audited in 2010. The ROSSA audit will focus on risks and processes unique to ROSSA and may include regional health and safety issues, business continuity planning and compliance with the host country agreement. Scheduled to be presented to FAC in March 2015.	X		
Middle East and North African Regional Office (MERO)	Last audited in 2010. The MERO audit will focus on risks and processes unique to MERO. The scope of the audit will be developed based on lessons learned from the ROSSA audit as well as high risk areas unique to the regional office. Scheduled to be presented to FAC in March 2016		X	
Total Audits by Fiscal Year		5	4	3

This three year plan proposes 12 audit engagements which will be reviewed annually in order to respond to the results of the External Quality Assessment, finalized 2015-2020 Strategic Framework and ad-hoc requests from Senior Management and the Finance and Audit Committee. This plan is intended to help IDRC achieve its business objectives by providing assurance and advice on the efficiency and effectiveness of management controls, its risk management practices and the soundness of its reporting and governance processes. It provides coverage over the Centre's key strategic, programmatic and operational business process areas.

Each engagement would commence by a detailed planning phase during which the scope and objectives would be defined, a detailed risk assessment conducted and the audit program and methodology determined. Most engagements will be conducted using a mix of internal and service provider resources and in some cases other specialty consultants will be engaged.

A brief overview of the audit engagements proposed for the first year of the Internal Audit Plan was presented to the Finance and Audit Committee in March 2014 as a separate document titled "Memorandum to FAC - 2014-2015 Annual Internal Audit Plan".

BUDGET

Estimated budgets for audits to be carried out in the 2014-2015 fiscal year have been presented in Annex 1 of this Internal Audit Plan.

On an annual basis, the audit universe as well as the risk assessment will be reviewed to confirm that the engagements identified from this exercise continue to be relevant to the Centre. As part of the annual review process, the type and scope of audit engagements will be confirmed and specific budgets will be proposed for engagements in the upcoming fiscal year up to the maximum of \$243,000 which Risk Management and Internal Audit has set aside for the use of external consultants to assist in carrying out internal audit engagements.

OTHER RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES

REPORTING

In addition to the production of audits and other reviews, Risk Management and Internal Audit is responsible for preparing regular reporting and analysis for the Senior Management and the Finance and Audit Committees. Changes to report content and scheduling are being proposed this year in order to streamline information and ensure IIA standards are being met. These changes will help Risk Management and Internal Audit provide increased value to the organization while also reporting on its own quality assurance and improvement program (QAIP). The following table shows the planned distribution of this regular reporting to the Finance and Audit Committee:

TABLE 2: SCHEDULE OF REPORTS TO THE FINANCE AND AUDIT COMMITTEE MEETINGS 2014-2017

Risk Management and Internal Audit Reporting	June	November	February	March
Annual Activity Report			X	
Annual Internal Audit Plan			X	
Audit Engagement Reporting	X	X		X
Corporate Risk Profile		X		X
3 Year Comprehensive Report	X			
3 Year Internal Audit Plan	X			

ANNUAL ACTIVITY REPORT

The Annual Activity Report will be presented to the Finance and Audit Committee in February to inform the Annual Internal Audit Plan and 3 Year Internal Audit Plan, as required. This report will consist of a description of current audits, a cost variance analysis, follow-up on previous outstanding audit recommendations, reporting on the quality assurance and improvement program, CAE confirmation of independence and progress made on the current 3 Year Internal Audit Plan.

ANNUAL INTERNAL AUDIT PLAN

The Annual Internal Audit Plan will be presented to the Finance and Audit Committee every year in February. This plan will be based on the approved 3 Year Internal Audit Plan and will be updated to reflect current risk assessment results as well as Senior Management and Finance and Audit Committee priorities.

AUDIT ENGAGEMENT REPORTING

Audit Engagement Reporting will be presented to the Finance and Audit Committee during regularly scheduled meetings as required except during the month of February. This is to allow the Committee to focus on the Annual Activity Report and Annual Internal Audit Plan.

CORPORATE RISK PROFILE

The Corporate Risk Profile will be updated and presented to the Finance and Audit Committee twice a year in March and November. This document will now describe the methodology used and analysis of key corporate risks including mitigation, monitoring and reporting strategies and responsibilities. Branch level risks will be presented in an appendix. This document will also help inform the Annual Internal Audit Plan and 3 Year Internal Audit Plan as required.

3 YEAR COMPREHENSIVE REPORT

The 3 Year Comprehensive Report will be presented to the Finance and Audit Committee in June at the end of the 3 Year Internal Audit Plan period. This will provide a retrospective analysis and performance assessment of the plan, overall observed themes for the Centre

Risk Management and Internal Audit

and identify areas needing further examination and improvement. This information will help inform the next 3 Year Internal Audit Plan.

3 YEAR INTERNAL AUDIT PLAN

The 3 year Internal Audit Plan will be presented to the Finance and Audit Committee in June as it is now every 3 years.

SPECIAL ENGAGEMENTS AND RISK MANAGEMENT STUDIES

As noted, most internal and external auditing resources will be focused on the achievement of the Internal Audit Plan. However, some reserve will be retained to respond to ad-hoc requests by management or the Board.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

IIA standards require that the Internal Audit activity maintain an internal quality assurance and improvement program. As a first step in the development of this program, Internal Audit is currently in the process of undergoing a self-assessment using the Internal Audit Capability Model (IA-CM) developed by the Institute of Internal Auditors. This framework identifies a set of fundamental elements or benchmarks for effective internal auditing in the Public Sector. These are rated from basic to leading practice and are intended to serve as a model for self-assessment and continuous improvement for the Internal Audit activity. They can also be used as a means for senior management and the Board to evaluate the type of Internal Audit activity appropriate to the organization. This is expected to be completed and presented to the Finance and Audit Committee in November 2014. Going forward, the results of this assessment and other QAIP activities will be presented to FAC on an annual basis as part of the Annual Activity Report presented in February.

STRATEGIC REVIEW OF INTERNAL AUDIT

IDRC's Risk Management and Internal Audit unit is currently undergoing a Strategic Review and External Quality Assessment. While the External Quality Assessment is necessary for IDRC to be in compliance with the International Professional Practices Framework of the Institute of Internal Auditors, the Strategic Review will help ensure that IDRC is obtaining the most value from its investment in Internal Audit. The External Quality Assessment complements the internal QAIP to provide assurance that the internal audit activity is meeting IDRC's objectives while maintaining compliance with professional standards.

ANNEX 1 – DETAILED IDRC INTERNAL AUDIT PLAN

Recommended Audit or Review Engagement	To provide assurance that... Or advice on....	Why is this Important?	Year	Type of Engagement	External Resources Funding 2014-2017
Corporate Operations (CO)					
CO1 - Audit of IDRC's Annual Planning & Resource Allocation Process	<ul style="list-style-type: none"> IDRC has management policies, processes, systems and controls in place to support its ability to budget effectively to achieve its long term plan. IDRC has procedures, systems and controls in place to ensure the process(es) followed by cost centres in allocating resources approved in the Program Work and Budget (PWB) are supportive of annual and long term goals. 	<ul style="list-style-type: none"> Critical for the achievement and reporting of organizational objectives. FAC Request. OAG SE recommendation. The audit is aligned with mitigation processes identified for several key corporate risks: Strategic Programming Direction; Program Relevance; Implementing Expense Reduction; Impact of Donor Funding on IDRC Programs; Expenditure Management. 	2014 2015	Assurance (Governance)	\$5,000
CO2 - Integrated Risk Management Review	<ul style="list-style-type: none"> IDRC has appropriately implemented processes to identify, measure, mitigate, monitor and report risk in support of its mandate, goals and objectives. This review would include all of IDRC's key risk management processes including: Corporate, Program, Donor and Institutional Risk Assessment Processes. 	<ul style="list-style-type: none"> OAG Special Examination recommendation. The CRP process is an integral part of IDRC. Program, Donor and Institutional Risk Assessment are a key component of grant administration. 	2015 2016	Advisory (Risk)	TBD (90% Service Provider, 10% IDRC)
CO3 - Ethics Review	<ul style="list-style-type: none"> IDRC has a sound governance process in place to support and promote adherence to appropriate corporate ethics. 	<ul style="list-style-type: none"> IIA Standards require Internal Audit to assess and make appropriate recommendations for improving the governance process in its accomplishment of promoting appropriate ethics within the organization. A strong ethical culture is the foundation of good governance. Supports mitigation processes identified for a key corporate risk: Leadership. 	2016 2017	Assurance (Governance)	TBD
Information Management and Information Technology (IMIT)					

Recommended Audit or Review Engagement	To provide assurance that... Or advice on....	Why is this Important?	Year	Type of Engagement	External Resources Funding 2014-2017
IMIT1 - IT Security Audit	<ul style="list-style-type: none"> IDRC's systems are adequately secured against outside threats and in compliance with policy requirements. This may include risks that arise from use of personal, mobile and home devices. 	<ul style="list-style-type: none"> Management request. Increased incidence in threats and incidents across Government and Industry. IDRC has decentralized global operations that may put it at higher risk. Supports mitigation processes identified for a key corporate risk: Information Technology. 	2014 2015	Assurance (Risk and Control)	\$70,000 (90% Service Provider, 10% IDRC)
Program Management (PM)					
PM1 - Grant Administration Audit	<ul style="list-style-type: none"> Processes are in place to effectively support IDRC's ability to monitor and review project expenditures of our grantees. Also would look at IDRC's ability to oversee sub-grantee arrangements. The audit would review the processes that IDRC has set in place to improve financial and administrative capacity building of our grantees. The planning phase would assess on a risk basis which processes would be selected for detailed review. 	<ul style="list-style-type: none"> IDRC's ability to manage project finances and ensure that it can effectively manage third party grantees is critical to maintaining reputation in both research and stewardship. Supports mitigation processes identified for a key corporate risk: Grantee Capacity. 	2014 2015	Assurance (Governance, Risk and Control)	\$75,000 (90% Service Provider, 10% IDRC)
PM2 - Follow-up to Development Innovation Fund Audit	<ul style="list-style-type: none"> Follow-up on DIF management responses and actions in response to recommendations made in the audit report. 	<ul style="list-style-type: none"> Internal Audit committed to performing a follow-up of DIF management action plans to FAC once all recommendations had been completed. Supports mitigation processes identified for a key corporate risk: Donor Relationship Management. 	2016 2017	Assurance (Governance, Risk and Control)	TBD
Administrative Processes (AP)					
AP1 - Travel Management Audit	<ul style="list-style-type: none"> Internal controls are adequate to appropriately approve, monitor and report on IDRC travel and in compliance with policies. This includes the financial aspects as well as the health, safety and security risks of travel. 	<ul style="list-style-type: none"> Extensive international travel is required for IDRC's work. Carries some risk exposure with respect to public scrutiny. Supports mitigation processes identified for several key corporate risks: 	2015 2016	Assurance (Governance and Control)	TBD

Recommended Audit or Review Engagement	To provide assurance that... Or advice on....	Why is this Important?	Year	Type of Engagement	External Resources Funding 2014-2017
		Country Risk; Regional Office Risk; Health and Safety of Staff.			
Financial Management (FM)					
FM1 - Audit of Senior Management Expenses	<ul style="list-style-type: none"> IDRC has adequate internal controls to pay for travel, hospitality and other expenses of senior managers as well as the accuracy and timeliness of reporting these expenses. This audit will consider the scope of the Travel Management Audit and OAG's 2014-2015 annual audit to ensure that audit work will not be duplicated. 	<ul style="list-style-type: none"> Given the scope of IDRC's mandate, senior managers are frequently required to travel abroad. Travel and hospitality expenses are reported publicly. FAC and senior management identified a need for assurance over financial processes. Supports mitigation processes identified for a key corporate risk: Compliance with Accountability Expectations. 	2015 2016	Assurance (Control)	TBD
FM2 - Audit of Internal Controls Over Financial Reporting to Donors	<ul style="list-style-type: none"> Internal controls are adequately designed and operating as intended to ensure that revenue and expenditures are accurately reported to donors as required. 	<ul style="list-style-type: none"> Donors are an important source of funding for IDRC. Inaccurate reporting would result in significant loss of trust and hinder IDRC's reputation and would ultimately impact continued or new funding from donors. Supports mitigation processes identified for several key corporate risks: Donor Funding Risk; Donor Relationship Management; Expenditure Management. 	2016 2017	Assurance (Governance and Control)	TBD
Human Resource Management (HR)					

Recommended Audit or Review Engagement	To provide assurance that... Or advice on....	Why is this Important?	Year	Type of Engagement	External Resources Funding 2014-2017
HR1 - Staff Recruitment and Development Audit	<ul style="list-style-type: none"> Centre processes to recruit new staff are adequate to meet the business needs of the organization. The review could provide an analysis of past IDRC hiring patterns and staffing actions looking at key indicators of performance in the recruitment function. 	<ul style="list-style-type: none"> The Centre's ability to attract the right staff is critical to its ability to achieve its business function. Supports mitigation processes identified for a key corporate risk: Leadership; Adequacy of staffing. 	2015 2016	Assurance (Governance and Control)	Cancelled
Regional Offices (RO)					
RO1 - Asian Regional Office (ARO) Audit	<ul style="list-style-type: none"> Processes and controls are operating as intended in the regional office and in compliance with policies. The planning phase would identify those processes and controls that are carried out locally and assess them on a risk basis to determine those that should be selected for detailed review. 	<ul style="list-style-type: none"> Regional offices are responsible for assisting the Centre in delivering on its mandate in the field. IDRC has moved to more centralized business processes and given that extensive audit work was done in the last cycle, regional audits will be conducted on a limited scope basis moving forward. Supports mitigation processes identified for several key corporate risks: Expenditure Management; Regional Office Risk; Compliance with Accountability Expectations; Health and Safety of Staff. 	2014 2015	Assurance (Governance and Control)	\$0
RO2 - Regional Office for Sub-Saharan Africa (ROSSA) Audit			2014 2015		\$54,000 (50% Service Provider, 50% IDRC)
RO3 - Middle East and North African Regional Office (MERO)			2015 2016		TBD

Memorandum / Note

TO / DESTINATAIRE Finance and Audit Committee
 DATE February 9, 2015
 FROM / EXPÉDITEUR Director Risk Management & Internal Audit
 SUBJECT / OBJET 2015-2016 Annual Internal Audit Plan

I would like to seek approval for the 2015-2016 Internal Audit Plan. This is the second year of the 2014-2017 Risk Based Audit Plan which was presented to the Committee in June 2014.

Like the 2014-2017 Risk Based Audit Plan, this proposal is the result of a risk-based exercise which involved discussions with IDRC's executive management. Managements input and review of the new Corporate Strategic Plan 2015-2020 and draft Corporate Risk Profile (to be presented to the Finance and Audit Committee in March) provided the information to update this plan.

The following activities are presented for approval:

Activities for 2015-2016	Area of Coverage	Report Date	Total Budget	Budget 2015-16
Travel Management Audit	Governance and Control	November 2015	\$40,000	\$35,000
New activities for approval:				
Audit of Board and Executive Management Expenses	Control	June 2015	\$0	\$0
Integrated Risk Management Review (Fully Outsourced)	Risk	November 2015	\$50,000	\$50,000
Middle East and North African Regional Office Audit	Governance, Risk and Control	March 2016	\$54,000	\$54,000
Enterprise Resource Planning (ERP) Replacement Project, Advisory Engagement	Governance, Risk and Control	June 2016	\$50,000	\$50,000
Activities to be cancelled, for approval:				
Staff Recruitment and Development Audit	Governance and Control	March 2016	\$0	\$0
Estimated operational consulting costs				\$189,000
Consulting Budget 2015-2016				\$215,000
Variance (flexibility)				\$26,000

The above schedule allows for some flexibility in both time and cost to respond to ad-hoc request by management and the Board.

Previously approved activities:

Progress on audits approved in the annual internal audit plan is communicated to the Finance and Audit Committee during regular scheduled meetings as part of the in-camera sessions and in the RMIA Annual Activity Report presented as a separate agenda item during this meeting.

New activities for approval:

Audit of Board and Executive Management Expenses (previously Audit of Senior Management Expenses): This audit will focus on assessing IDRC's internal controls around travel, hospitality and other expenses incurred by executive management and Board members, as well as the accuracy and timeliness of reporting these expenses. Planning of this audit will take into consideration the scope of the Travel Management Audit and the OAG's annual attest audit. This report is scheduled for presentation to the Committee in June 2015.

Integrated Risk Management Review: Because of RMIA's current role within risk management, this review will be conducted by an outside service provider to ensure independence and objectivity of the work performed. The review will focus on assessing IDRC's risk management approach, alignment with the mandate and Corporate Strategic Plan, management response and communication and reporting of results. This report is scheduled for presentation to the Committee in November 2015.

Middle East and North African Regional Office (MERO) Audit: Regional office audits take place approximately every 5 years. The last audit of the MERO took place in 2010 so it will have been almost 6 years since the last review. Regional Office audits include areas of Centre operations that are not covered by Head Office audits. The MERO audit would follow much the same audit program as the Regional Office for Sub-Saharan Africa Audit focussing on: financial and IT controls for the office; regional health and safety issues and business continuity planning; compliance with host country agreement; and local pay and benefits. This report is scheduled for presentation to the Committee in March 2016.

Enterprise Resource Planning (ERP) Replacement Project, Advisory Engagement: This is a large project which will impact major systems and processes at the Centre. It is expected that new financial and grant administration systems will go live on April 1, 2016 which represents a significant change and a high level of risk for the Centre. This advisory engagement aims at providing management with relevant and timely guidance on project management, user requirements, controls, risks and implementation procedures.

Activities to be cancelled, for approval:

Staff Recruitment and Development Audit: Cancellation of the audit has been proposed as this topic does not represent areas of significant risk for the Centre. It was also felt that the enterprise resource planning (ERP) replacement project presented higher levels of risk and opportunities for internal audit to provide value to management and the Committee.

Reporting on the Risk Management and Internal Audit Function:

In addition to the production of audits and other reviews, Risk Management and Internal Audit is responsible for preparing regular reporting and analysis for the Finance and Audit Committee.

Risk Management and Internal Audit Reporting	June	November	February	March
RMIA Annual Activity Report			X	
Annual Internal Audit Plan			X	
Audit Engagement Reporting	X	X		X
Corporate Risk Profile		X		X
3 Year Comprehensive Report (2017)	X			
3 Year Internal Audit Plan (2017)	X			

Additional information regarding each of these reports is contained in the 2014-2017 Internal Audit Plan. I am seeking the committee's feedback and approval for this plan of work.

Thank you

ANNEX F
INTERNAL AUDIT CHARTER

Approved by the Board of Governors
March 30, 2015

International Development Research Centre
Ottawa, Canada

**INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC)
INTERNAL AUDIT CHARTER**

Assurance and Advice to Support Innovating for Development

This Charter defines the purpose; authority and independence; responsibilities; scope of work and standards for Internal Audit at IDRC.

1. Purpose:

IDRC supports “Innovating for Development” and is committed to excellence in all spheres of its activities including programming, staffing, management and governance. IDRC strives to maintain the highest standards of accountability, stewardship and probity in the use of public and private funds entrusted to it.

The purpose of IDRC’s Internal Audit function is to provide independent, objective, assurance and advice designed to add value and support the Centre’s objectives to achieve excellence, improve operations and accountability. Internal Audit helps IDRC accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

2. Authority and Independence:

Section 131(3) of the *Financial Administration Act (FAA)* requires Crown corporations such as IDRC to conduct internal audits to assess that the corporation’s accounts and records; financial and management controls; information systems and management practices to provide reasonable assurance that:

- a) The assets of the corporation are safeguarded and controlled;
- b) Transactions are in accordance with the applicable parts of the FAA and the regulations; the charter and by-laws of the corporation and any directive given to the corporation; and
- c) The financial, human and physical resources of the corporation are managed economically and efficiently and the operations are carried out effectively.

IDRC’s Board of Governors approves the Internal Audit Charter which outlines the purpose, authority and responsibility of the function. The Board of Governors through the *Board Charter* authorizes the Finance and Audit Committee to oversee IDRC’s Internal Audit function in the *Terms of Reference of the Finance and Audit Committee*.

Responsibilities of the Finance and Audit Committee include: the review and recommendation of the audit charter for Board approval; approval of internal audit plans and reports; and, together with the President, review of the performance of the Internal Audit function and the sufficiency

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of resources allocated to carry out the internal audit plan. The President, together with the Chairperson of the Finance and Audit Committee, selects, terminates and assesses the performance of the Chief Audit Executive.

The Chief Audit Executive reports administratively to the President of IDRC and functionally to the Finance and Audit Committee for the conduct of the internal audit plan. All internal audit staff and consultants report to the Chief Audit Executive. The Chief Audit Executive, staff and consultants do not assume any responsibility or authority over any Centre activities outside of the Risk Management and Internal Audit unit. The performance of internal audit activities does not relieve management of any of their assigned responsibilities.

The Chief Audit Executive has unimpaired ability to carry out his/her responsibilities including: reporting and access to the President and the Finance and Audit Committee Chairperson; attending all Finance and Audit Committee meetings and having a minimum of two in-camera sessions per year with the Finance and Audit Committee without management present.

Within the context of carrying out the risk based audit plan or other engagements the Chief Audit Executive is authorized full, free, and unrestricted access to all Centre records, reports, databases, workplaces, property and personnel and the right to obtain information and explanations from Centre employees and contractors. Where “personal and confidential” materials are involved the Chief Audit Executive will consult with the President and the Chairperson of the Finance and Audit Committee regarding accessing such materials.

3. Responsibilities:

The Chief Audit Executive has responsibility for:

- Establishing appropriate policies, procedures and audit methodologies; to ensure the internal audit function operates in compliance with IDRC’s Standards of Audit Practice (outlined in Section 5 below) and supports the achievement of the internal audit plan;
- Developing risk-based internal audit plans, in collaboration with management and the Finance and Audit Committee and presenting the plan annually to the Finance and Audit Committee for approval;
- Coordinating internal audit activities and plans with the Office of the Auditor General and the Centre’s Evaluation Unit to minimize duplication of efforts and demands on management;
- Ensuring that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved audit plan;

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- Ensuring the timely completion of internal audit engagements that include management responses and providing these reports to the President and to the Finance and Audit Committee for approval;
- Managing a follow-up process to ensure that management responses have been effectively implemented and reported to the President and the Finance and Audit Committee
- Performing management advisory services to assist IDRC in meeting its objectives;
- As requested, assisting in the investigation of suspected fraudulent activities within IDRC;
- Safeguarding all information obtained in the audit process according to the strictest confidentiality and in accordance with Centre policy and applicable legislation.
- Maintaining a cadre of professional Internal Audit staff and consultants with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the President, the Finance Audit Committee and IDRC's Standards of Audit Practice;
- Establishing and maintaining a quality assurance program that covers all aspects of the internal audit function and continuously monitoring its effectiveness.
- In consultation with the President and the Finance and Audit Committee, ensuring that the function is periodically assessed concerning its conformance with IDRC's Standards of Audit Practice by a qualified, independent, external reviewer;
- Developing internal audit performance measures, which are approved by the President and the Chairperson of the Finance and Audit Committee; and reporting on the Internal Audit function's performance to support the assessment of the Chief Audit Executive and the internal audit function;
- Ensuring IDRC's Standards of Audit Practice are followed and reporting at least annually to the President and the Finance and Audit Committee on the Internal Audit function's compliance;
- Observing the *Code of Ethics* of the Institute of Internal Auditors and applying and upholding the principles of integrity, objectivity, confidentiality, and competency, and IDRC's *Code of Conduct* and the *Values and Ethics Code for the Public Service*;
- Informing management and the Finance and Audit Committee of emerging trends and successful practices in internal auditing.

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The Chief Audit Executive also has responsibility to support management in the preparation of the Corporate Risk Profile of IDRC and in other related functions. Although the Chief Audit Executive does not manage or direct IDRC's risk management systems and processes, should there be a requirement to audit corporate risk management practice at IDRC, he/she may have to engage independent resources to perform this work and the Finance and Audit Committee may be required to exercise some oversight over such work.

4. Scope of Work:

The scope of work of the Internal Audit function includes:

- The entire operations of IDRC including all corporate, programming and operational units and locations of work are included in the scope of internal audit work and are considered in the risk based audit planning process.
- The determination of whether IDRC's network of risk management strategies and processes; control frameworks, systems and practices; and governance and reporting processes are adequate and functioning in a manner to ensure:
 - Reasonable assurance that programs, plans and objectives will be achieved;
 - Quality and continuous improvement are fostered within IDRC;
 - Risks are appropriately identified and managed;
 - Resources are managed efficiently and effectively and are adequately safeguarded;
 - Information for decision making is accurate, relevant and timely; and
 - Activities and actions are in compliance with applicable legislation and regulations, policies, standards and procedures.

In the scope of this work the Chief Audit Executive will communicate to management opportunities for improving controls, risk management and governance processes identified in the course of the audit and advisory engagements.

5. IDRC's Standards of Audit Practice:

IDRC's internal audit function operates in compliance with the Institute of Internal Auditors (IIA): *Definition of Internal Auditing; Code of Ethics; and the International Standards for the*

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professional Practice of Internal Auditing. It operates in compliance with the Treasury Board of Canada's *Policy on Internal Audit; Directive on Internal Auditing in the Government of Canada; and Internal Auditing Standards for the Government of Canada*, subject to IDRC's governance arrangements, statutory mandate, legislated status and risk profile.