



**Call for Expression of Interest
Internal Audit of Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)
PRF/EOI/2024/002**

PEMSEA is an international organization specializing in integrated coastal and ocean governance for the Seas of East Asia. It is a partnership arrangement comprised of 11 Country Partners and 20 Non-Country Partners with a collective commitment to the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA). The SDS-SEA represents a consensus among Partners on the shared vision, objectives and action programs of PEMSEA for sustainable development of the Seas of East Asia. PEMSEA also works closely with educational institutions, Regional Centers of Excellence and ICM Learning Centers to build a critical mass of broad-based, trained and educated coastal and ocean managers to undertake the enormous tasks in the region. PEMSEA Resource Facility (PRF) provides secretariat, communications and technical services and assistance to partners to implement the Sustainable Development Strategy for the Seas of East Asia Implementation Plan 2023-2027.

PEMSEA is seeking proposals from qualified audit firms and individual practitioners to conduct internal audit services.

OBJECTIVES

The purpose of conducting internal audit is to help the PEMSEA Executive Committee (EC) and PEMSEA Resource Facility Management Committee (MANCOM) in:

- a. protecting the assets, reputation and ensure the financial and institutional sustainability of PEMSEA.
- b. providing reliable, valued and timely assessment to the EC and MANCOM on the effectiveness of the system of internal controls mitigating current and evolving risks and strengthen the effectiveness of the risk management culture within PEMSEA.
- c. assessing whether PEMSEA's processes and actions are in line with the values, ethics, risk appetite, risk culture and other policies.

SCOPE OF WORK

The scope of work of the Internal Auditor is to determine the adequacy and effectiveness of the risk management, internal control and governance processes of PEMSEA, its projects and managed properties, as designed and represented by management, to ensure the achievement of the following management objectives:

- a. Proper identification and management of risks;
- b. Accuracy, reliability and timeliness of significant operating and financial information;
- c. Compliance with policies, standards, procedures, applicable laws/regulations and governance processes;
- d. Economic and efficient use, and safeguarding of resources;
- e. Quality and continuous improvement in the organization's operating and control processes;
- f. Achievement of the PEMSEA's goals and objectives.

Internal audit's scope is classified into: (1) Assurance and (2) Consulting services.

Assurance activities involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter. These include the following:

- a. Operations audit
- b. Quality, Environmental, Health & Safety Management System (QEHS MS) Audits; covering staff working conditions
- c. Other assurance audits as requested by the Executive Committee, Audit Committee and/or PRF Management Committee

Consulting activities are advisory in nature, and are generally performed at the specific request of the Executive Committee; Audit Committee and/or Executive Director. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility. These consulting activities include, but are not limited to the following:

- a. Operations audit
- b. Quality, Environmental, Health & Safety Management System (QEHS MS) Audits; covering staff working conditions
- c. Other assurance audits as requested by the Executive Committee, Audit Committee and/or PRF Management Committee

ROLES AND RESPONSIBILITIES

Internal Audit responsibilities are:

- a. Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risk or control concerns identified by management, and submit the plan to the Audit Committee for review and approval as well as periodic updates;
- b. Implement the annual audit plan, as approved, including as appropriate any special task or project requested by the management and the Audit Committee;
- c. Assist in the investigation of significant suspected fraudulent activities within the organization and notify the management and the Audit Committee of the results;
- d. Review and evaluate significant merging/consolidating functions, and new or changing service, processes, operations and control processes in line with their development, implementation and/or expansion;
- e. Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost;
- f. Issue periodic written reports to the Audit Committee and the Executive Director summarizing results of the audit activities;
- g. Keep the Audit Committee informed of emerging trends and successful practices in Internal Auditing;
- h. Provide a list of significant measurement goals and results to the Audit Committee;
- i. Maintain professional audit staff with sufficient knowledge skills, experience and professional certifications to meet the requirements of this charter; and
- j. Establish a quality assurance program as a basis for evaluating, monitoring and improving the internal auditing activities.

Role of Audit in the Internal Control and Governance Processes

It is to be noted that internal control and governance processes are the primary responsibility of management and the departments concerned. Internal Audit assists the units in the assessment and evaluation of the effectiveness of the internal control and governance processes. Opportunities for improving these may be identified in the course of assurance and consulting activities. These will be communicated to the appropriate levels of management.

Role of Audit in the Risk Management Process

Risk management is a key responsibility of management. To achieve its business objectives, management should ensure that sound risk management processes are in place and functioning. The Executive Director and the Audit Committee have an oversight role to determine that appropriate risk management processes are adequate and effective. Internal Auditors assist both the management and the Audit Committee by:

- a. Facilitating risk assessment and management sessions using a defined system/structure. Management and the units concerned take the responsibility for the identification, prioritization and management of the risks; and
- b. Examining, evaluating, reporting and recommending improvements on the adequacy and effectiveness of management's risk processes.

ACCOUNTABILITY

Internal Audit, in the discharge of his/her duties, shall be accountable to the Audit Committee and the PRF Executive Director to:

- a. Provide annual assessment on the adequacy and effectiveness of PEMSEA's processes for controlling its activities and managing risks in the areas set forth under the Mission, Scope of Work and Roles & Responsibilities;
- b. Report significant issues related to the processes for controlling the activities of PEMSEA, including potential improvements to those processes, and provide information concerning such issues through resolutions;
- c. Periodically provide information on the status and results of the annual audit plan, noting trends of risks and risk management measures, the unit's Balanced Scorecard commitments (including QEHS functional objectives) and the sufficiency of department resources;
- d. Periodically review the Internal Audit charter and Policy Manual for updates on effectiveness and applicability of the provisions; and
- e. Coordinate and provide oversight of other control and monitoring functions (risk management, compliance, governance)

INDEPENDENCE

To provide for the independence of the Internal Audit, he/she shall report to the Audit Committee and administratively to the Executive Director in a manner outlined in the Accountability section. It will include as part of its reports to the Audit Committee, a regular report on internal audit of personnel.

AUTHORITY

Internal Audit is authorized to:

- a. Have unrestricted access to all functions, records, property and personnel;
- b. Have full and free access to the Audit Committee;
- c. Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives;
- d. Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization when budgetary constraints permit, in accordance with current procedures. All personnel are obliged to assist the Internal Auditor in fulfilling his/her roles; and
- e. Receive information concerning possible fraud, corruption, waster or mismanagement in accordance with PEMSEA's Policy.

Internal Audit is not authorized to perform any non-audit operational activity or accounting transactions for PEMSEA or direct the actions of any non-audit staff/personnel except if they have been assigned to assist the audit.

OPERATIONAL ARRANGEMENTS

1. The Internal Auditor shall be appointed by the PRF Management Committee for a period of three (3) years on the basis of merit, experience and remuneration, as established and submitted by the PRF.
2. The Internal Auditor may be re-appointed to additional terms by the Management Committee.
3. The cost of travel and *per diem* as well as other reimbursable items incurred by the Internal Auditor in relation to the audit, as approved by the Management Committee, will be reimbursed in accordance with PEMSEA rules and guidelines.

QUALIFICATIONS AND SKILLS REQUIRED

Experience: Registered/licensed in the Philippines as a Certified Public Accountant, with at least 10 years in conducting financial audits in conformity with the International Public Sector Accounting Standards or other international standards acceptable in major capital markets, as well as experience in dealing with international organizations and business transactions.

SUBMISSION OF PROPOSAL

Interested Parties must submit their proposals to: recruitment@pemsea.org on or before 30 December 2024.

