



# INVITATION TO TENDER

**ECMWF/ITT/2023/357**

## **Provision of External Audit Services to ECMWF**

### **Volume II:**

## **Specification of Requirements**

ISSUED BY: ECMWF Administration Department Procurement Section
---

Date: 17 October 2023
-----------------------

Version: Final
----------------

## Table of Contents

1. Background.....	3
1.1. Introduction.....	3
1.2. Background.....	3
2. Scope of the ITT .....	4
2.1. Objective and Eligibility .....	4
2.2. Evaluation Method and Selection Criteria.....	4
3. Specification of Requirements .....	4
3.1. Applicable and Reference Documents .....	4
3.1.1. Applicable Documents.....	4
3.1.2. Reference Documents .....	5
3.2. Tasks, Responsibilities and Schedule.....	5
3.3. Deliverables .....	6
3.4. Profile of the Key Personnel .....	7
3.5. Availability and Working Hours .....	7
4. Format of the Tender response.....	7
4.1. Presentation and Order of the Tender .....	7
4.2. Volume III.....	8
4.2.1. Organisation details.....	8
4.2.2. Experience and references .....	8
4.2.3. Staff resources.....	8
4.2.4. Additional questions.....	8
4.2.5. Commercial arrangements .....	8
4.2.6. Proposed Solution, Management and Implementation Plan.....	8
4.2.7. Terms and conditions of contract.....	9
Annex 1: Evaluation Criteria .....	10

# 1. Background

## 1.1. Introduction

This Invitation to Tender (ITT) has been prepared by the European Centre for Medium-Range Weather Forecasts, (governed by its Convention and associated Protocol on Privileges and Immunities which came into force on 1 November 1975, and was amended on 6 June 2010) ("ECMWF") for the purposes of obtaining proposals from Tenderers for the provision of External Audit Services to ECMWF.

## 1.2. Background

The European Centre for Medium-Range Weather Forecasts is an independent intergovernmental organisation supported by 35 states. ECMWF is one of the six members of the [Co-ordinated Organisations](#)<sup>1</sup>, which also include the North Atlantic Treaty Organisation (NATO), the Council of Europe (CoE), the European Space Agency (ESA), the Organisation for Economic Co-operation and Development (OECD), and the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT).

ECMWF is both a research institute and a 24/7 operational service, producing and disseminating numerical weather predictions to its Member States and Co-operating States and the broader community. The Centre also offers a catalogue of forecast data that can be purchased by businesses worldwide and other commercial customers, and a growing range of open data and charts. The supercomputer facility (and associated data archive) at ECMWF is one of the largest of its type in Europe and Member States can use 25% of its capacity for their own purposes.

ECMWF is also a key player in Copernicus, the Earth Observation component of the European Union's Space programme, offering quality-assured information on climate change (Copernicus Climate Change Service), atmospheric composition (Copernicus Atmosphere Monitoring Service), flooding and fire danger (Copernicus Emergency Management Service). Through the EU's Destination Earth initiative, ECMWF is developing prototype digital twins of the Earth.

ECMWF now employs around 450 staff from more than 35 countries. ECMWF generated revenue of £137 million in 2022, of which £55 million were Member & Co-operating State contributions. ECMWF is headquartered in Reading, UK, with the Data Centre located in Bologna, Italy, and an additional site in Bonn, Germany.

ECMWF currently uses Unit4 ERP 7.11 as the ERP system to support the administrative processes, including financial and human resource management.

ECMWF implemented IPSAS with the Financial Statement of 2012 Accounts in 2013.

The ECMWF Council, at its 84<sup>th</sup> Session (December 2014) and at its 108<sup>th</sup> Session (April 2021), has decided to update the external Audit arrangements of ECMWF as follows:

- the ISSAI 5000 standard applies (including ECMWF bearing the full cost of the external audit);
- the auditor shall be subject to a mandatory rotation period. The auditor or the Audit Board shall be appointed for an initial period of up to four years and may be reappointed once for a secondary period of up to four years and, in exceptional cases, for an additional period of no more than two years;
- the selection process is in line with ECMWF's procurement procedures which endorse the internationally accepted basic principles in the field of procurement.

Over the eight Financial Years from 2016 to 2023, ECMWF has been audited by the Office of the Auditor General of Norway.

---

<sup>1</sup> <https://www.sirp-isrp.org/index.php?lang=en&Itemid=836>

## 2. Scope of the ITT

### 2.1. Objective and Eligibility

This ITT is expected to result in a contract for the services of an organisation providing external audit services (The External Auditor) to fulfil the annual audit of the Financial Statement of Accounts of ECMWF, in accordance with the Convention and the Financial Regulations of ECMWF, the International Standards of Supreme Audit Institutions (ISSAI) published by the International Organisation of Supreme Audit Institutions (INTOSAI) and the International Public Sector Accounting Standards (IPSAS).

The External Auditor shall be a Supreme Audit Institution based in one of the 23 ECMWF Member or those Cooperating States, which have accorded privileges and immunities to ECMWF<sup>2</sup>.

The Appointment of the External Auditor is approved by the ECMWF Council.

The External Auditor attends the spring session of the ECMWF Audit Committee and, if invited by its President, also the respective ECMWF Council session.

The mandate is for an initial period of four years. The mandate is renewable once. The second appointment may be extended by a further 2 years. Under no circumstances should the appointment be more than 10 years in total.

### 2.2. Evaluation Method and Selection Criteria

Tenders will be evaluated based on the High-Level Evaluation Criteria (HLC) and weights shown in the table below. Further details about the elements ECMWF will consider under each high-level evaluation criterion are provided in Annex 1.

High-Level Evaluation Criteria	Weight
HLC1: Track Record	20%
HLC2: Quality of Resources Deployed	20%
HLC3: Technical Solution Proposed	10%
HLC4: Management and Implementation	25%
HLC5: Price	25%

Table 1: Evaluation Criteria

Tenderers must achieve a mark of at least satisfactory (i.e. 60%) for the Technical Section of the evaluation, which comprises high-level evaluation criteria HLC1 through HLC4 (see Annex 1: Evaluation Criteria).

Following notification of the result of your tender you may request feedback on the evaluation from ECMWF.

## 3. Specification of Requirements

### 3.1. Applicable and Reference Documents

#### 3.1.1. Applicable Documents

The ECMWF regulatory framework, including the Convention and Protocol, Financial Regulations and Staff Regulations, can be found on the ECMWF website under Official documents (<http://www.ecmwf.int/en/about/who-we-are/official-documents>).

---

<sup>2</sup> ECMWF has been afforded privileges and immunities, including the inviolability of its archives, by all its Member States as well as by selected Co-operating States: Austria, Belgium, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Serbia, Slovenia, Spain, Sweden, Switzerland, Türkiye and the United Kingdom as well as Bulgaria, Georgia, Latvia, Lithuania and North Macedonia.

### 3.1.2. Reference Documents

The ECMWF Annual Report 2022 and Financial Statement of Accounts 2022 – and of earlier years -can be found on the ECMWF website under Media resources (<http://www.ecmwf.int/en/about/news-centre/media-resources>, Annual publications section).

### 3.2. Tasks, Responsibilities and Schedule

The audit shall be conducted in conformity with the Convention and Financial Regulations of ECMWF and the International Standards of Supreme Audit Institutions (ISSAI).

The purpose of the audit, which shall be based on records and, if necessary performed onsite, shall be to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner and that the financial management of the Centre has been sound. The auditors shall submit a report on the accounts for the previous financial year to the Council. In their report they shall mention the extent and nature of their audit, their comments on the financial statements of accounts, and a summary assessment of the financial management of the Centre. They should also review and make comments on the annual financial reports submitted to the European Commission for the Copernicus Programme and the Destination Earth initiative.

In addition to the responsibility for auditing the accounts, the External Auditor shall make any appropriate comments on proposed amendments to the Financial Regulations, implementing rules, the activities of the Financial Controller (who assumes, inter alia, the role of the Head of Internal Audit), the accounting methods applied, and, in general on the financial implications of the administrative practices followed. They must draw attention to any operation whose regularity or advisability they consider to be open to dispute.

In particular the External Auditor, for this purpose, verifies:

- that the financial statements are in accordance with the accounting records of ECMWF;
- that the accounting system and the financial statements cover all financial transactions effected by ECMWF in the course of the year;
- the regularity of all transactions, having regard to the Financial Regulations, instructions and any other applicable decisions by the ECMWF Council;
- that budgetary expenditure has been in conformity with the purposes of, and within the limits of, the appropriations as shown in the Budgets, amended as appropriate;
- that transactions are vouched for by appropriate supporting documents;
- that fixed assets are kept in good order and are subject to proper supervision;
- that internal controls are adequate and reliable;
- that the financial management is sound;
- and explicitly states that all of the above applies also to the accounting records and financial transactions related to the implementation of the Contribution Agreements with the European Commission on Copernicus Programme and Destination Earth Initiative, if applicable.

The Director-General will submit the finalised supporting documentation required for the audit to the External Auditor within two months following the end of the financial year to which the financial statements relate.

The External Auditor shall express and sign an opinion on the financial statements no later than 31 March following the financial year to which it relates, which shall:

- identify the financial statements examined;
- describe the nature and scope of the audit; and
- address, as appropriate, whether:
  - o the financial statements present fairly the financial position of ECMWF as at the end of the financial year and the results of its operations in that year;

- the financial statements were prepared in accordance with the Financial Rules and the stated accounting principles;
- the accounting principles were applied on a consistent basis from year to year, unless modified by Council and documented accordingly;
- the transactions were in accordance with the Financial Regulations and budgetary appropriations.

To accommodate these deadlines, the Tenderer is invited to suggest conducting interim audits during the Financial Year.

The External Auditor will work in close co-operation with the relevant ECMWF Sections responsible for the activities to be audited.

In addition, the External Auditor should be available for ad-hoc discussion of current topics/major accounting changes, with an estimated effort of half a day per month.

ECMWF provides the External Auditor with all such facilities that it deems necessary for the performance of its duties. The External Auditor shall have personal access to all documents of ECMWF which it deems necessary to carry out the Audit. However, in order to preserve the confidentiality and inviolability of ECMWF documentation it is expected that the documentation necessary for the audit shall either remain within the ECMWF premises or, with the express prior consent of ECMWF, on the territory of a State which has afforded privileges and immunities to ECMWF.<sup>3</sup> The auditors shall have personal access to all the premises of the Centre and shall be empowered to interview the Director-General or any departmental director or any of their subordinates responsible for any revenue or expenditure operation. If any documentation is removed from the premises temporarily or if it is accessed and downloaded by the External Auditor through electronic means and then stored outside of the premises of the Centre, the External Auditor must take due care to give full effect to ECMWF's archival immunity and store the documentation only on the territory of an ECMWF Member State.

### 3.3. Deliverables

The External Auditor shall deliver the yearly report by 31 March following the end of each financial year, in which it shall set forth, its views and observations on the financial statements.

The report shall include:

- the nature and scope of his or her examination and of any changes in the nature and scope of such examination, including whether he or she has obtained all the information and explanations required;
- matters affecting the completeness or accuracy of the financial statements such as:
  - any income or receivables which have not been properly accounted for;
  - expenditure not properly substantiated;
- other matters to be brought to the notice of Council, such as:
  - cases of fraud or presumptive fraud;
  - wasteful or improper expenditure of the Organisation's financial or other assets (notwithstanding that the accounting for the transactions may be correct),
  - expenditure likely to commit the Organisation to further outlay on a large scale;
  - any defect in the general system or detailed regulations governing the control of receipts and expenditure or of supplies, equipment and materials of the Organisation or of those for which the Organisation is responsible;
  - expenditure not in conformity with or in excess of appropriations;

---

<sup>3</sup> See above at footnote 2.

- the accuracy or otherwise, as determined by stocktaking and examination, of quantitative records relating to supplies, equipment and material of the Organisation or for which the Organisation is responsible; and
- transactions accounted for in a previous financial year, concerning which further information has been obtained, or transactions in a later financial year concerning which it is considered desirable that the Organisation should be informed at an early stage.

Audit comments arising during the examination of the accounts and its underlying transactions, including all comments with regard to the implementation of the cooperation agreements with the EU, shall be immediately communicated to the Head of Finance and discussed with the relevant ECMWF staff.

At least one week prior to the delivery of the final yearly report, the External Auditor shall afford the Director-General an opportunity to comment on any matter to be raised in the Audit Report.

The yearly report shall be transmitted to the Director-General together with the audited financial statements. The External Auditor will present the external audit report to the Audit Committee on the first day of its spring session, usually held in April.

### 3.4. Profile of the Key Personnel

The key persons in charge of the Audit should have demonstrated experience of auditing in International Organisations similar to ECMWF (e.g. ESA, EUMETSAT, ESO, CERN, OECD etc.).

Experience of application of IPSAS is mandatory, experience with a research and operational revenue generating environment and contribution/delegation agreements with the EU is desirable.

For reasons of efficiency, two lead key persons from the contracted External Auditor shall be assigned to this contract with continuity of at least one of these persons from year to year.

The official languages of ECMWF are the languages of its Member States, however, all original documents are available in English. Therefore, the working language for this contract is English; the personnel assigned to this contract must prove a high standard of both written and spoken English.

### 3.5. Availability and Working Hours

The tasks under the responsibility of the External Auditor will be mainly carried out in a mix of remote work and work at ECMWF headquarters in Reading (UK), usually during normal working hours, i.e. Monday-Friday from 08:30 to 17:00.

The term of office of the contracted External Auditor will terminate on the adoption by the ECMWF Council of the financial statements for the year ending 31 December 2027.

## 4. Format of the Tender response

### 4.1. Presentation and Order of the Tender

The Tender response shall be presented as separate documents, which are to be submitted in accordance with instructions provided in Volume I of the ITT documentation, as follows:

- Completed Volume III (Template for Tenderers);
- Attachments and Annexes, as requested in the Volume III document.

Note that for any information that has been provided as part of the Tender, but not specifically requested by ECMWF, then ECMWF shall, at its sole discretion, decide whether to utilise that further information within its evaluation process.

## 4.2. Volume III

Volume III (Template for Tenderers) should be completed for the following information:

### 4.2.1. Organisation details

The Tenderer shall provide information on the legal, commercial or professional status of the Tenderer, as well as contact details of the person who can be contacted by ECMWF in relation to the Tender. The Tenderer should also attach a copy of the official Company Registration Document (or other relevant documents) and provide complete and accurate information on the Tenderer's shareholding structure and, if applicable, full details of its parent organisations up to and including the ultimate parent organisation.

The Tenderer shall also confirm that the organisation is its country's Supreme Audit Institution, and that auditing ECMWF is within its mandate.

### 4.2.2. Experience and references

The Tenderer shall describe in brief terms the organisation's history and recent provision of external audit services to intergovernmental organisations. The Tenderer should supply a list of intergovernmental organisations to which similar services to those requested in this ITT have been provided giving details of the types of services. ECMWF reserves the right to request references from any of the organisations listed.

### 4.2.3. Staff resources

Further to requirements outlined in section 3.4, the Tenderer shall provide details of its staff numbers, skills and locations relevant to the services requested and shall set out any key skill or employee dependencies and the availability of replacement skills in those areas.

### 4.2.4. Additional questions

This section contains a set of questions which seek either information or confirmation from the Tenderer.

### 4.2.5. Commercial arrangements

The Tenderer shall:

- (a) Provide prices for the audit of ECMWF's Financial Statement of accounts for the years 2024-2027. Prices shall be firm and fixed and quoted in Pounds Sterling (£), net of UK taxes and VAT. The prices shall remain valid until 31 December 2024.
- (b) Specify how extension charges for the whole agreement would be calculated, were the contract to be extended at the end of the contract term. The Tenderer should assume that the initial contract term would be four years starting on 1 July 2024, and that the contract may be renewed once for a further term of four years. The extension charges shall remain valid until 31 July 2028.
- (c) Provide average daily rates for any additional audit work which may be requested by ECMWF's Council. The average daily rates shall be firm and fixed and quoted in Pounds Sterling (£), net of UK taxes and VAT. The rates shall remain valid for the duration of any contract including extensions that may result from this ITT. The Tenderer may provide a method of changing the rates for each calendar year based on an appropriate, internationally recognised and published price index.

### 4.2.6. Proposed Solution, Management and Implementation Plan

The Tenderer should describe the proposed solution to demonstrate understanding of service requirements described in section 3. The Tenderer should describe any management and implementation aspects for the proposed solution. The Tenderer should also provide a register of the risks envisaged with this audit assignment and the related mitigation actions. This is the minimum information requested; Tenderers can provide any additional information or documents as necessary.



#### 4.2.7. Terms and conditions of contract

The terms and conditions for this contract are provided in Volume IV of the ITT documentation. Tenderers are requested to confirm their acceptance of the terms and conditions by checking the corresponding box in Volume III.

As a result of ECMWF's immunity from jurisdiction, any contract resulting from this ITT must contain an arbitration clause which is offered by ECMWF to all contracting parties. Tenderers are requested to explicitly confirm their willingness and ability to comply with this requirement and describe their approach in ensuring that such contracts comply with the above requirement. Further information may be found at <https://www.ecmwf.int/en/about/suppliers> in the documents under "ECMWF's status: Arbitration and VAT".

## Annex 1: Evaluation Criteria

ECMWF will use the tender evaluation scoring matrix shown below to assess the received tenders.

### Evaluation scoring matrix for the Technical Section:

Sub-section	Weight in overall score	Evaluation criteria	Weight in sub-section score
<b>HLC1: Track Record</b>	20%	Track record of the entity in the field <ul style="list-style-type: none"> <li>of auditing FSA's in accordance with IFRS or IPSAS;</li> <li>of auditing organisations which generate commercial revenue;</li> <li>of auditing intergovernmental organisations set up by a convention;</li> <li>of auditing organisations with substantial income from research funding;</li> <li>of auditing organisations which have contribution agreements with the EU.</li> </ul>	100%
<b>HLC2: Quality of Resources Deployed</b>	20%	Management experience of the person in charge (Senior/Principal Auditor)	25%
		Continuity of key persons (at least two key lead persons assigned to this contract with continuity of at least one of these persons from year to year)	50%
		Composition of the delivery team: <ul style="list-style-type: none"> <li>complementarity: is the team's expertise covering the whole spectrum of activities?</li> <li>is there a balance between senior and junior team members?</li> <li>are staff in general involved at a reasonably high level of personal commitment or are resources spread over an exceedingly large number of staff?</li> </ul>	25%
<b>HLC3: Technical Solution Proposed</b>	10%	Completeness of the proposal <ul style="list-style-type: none"> <li>does the proposal cover all aspects of the audit?</li> </ul>	50%
		Soundness of the concept	25%
		Quality of the proposal	25%
<b>HLC4: Management and Implementation</b>	25%	Design of the proposed audit programme, including interim audits: <ul style="list-style-type: none"> <li>are interim audits proposed?</li> <li>Is a co-operation with other assurance providers suggested?</li> </ul>	40%
		Appropriateness of the management structure and procedures <ul style="list-style-type: none"> <li>do sub-contractors increase the complexity?</li> </ul>	20%
		Assessment of risks and adequacy of contingency planning <ul style="list-style-type: none"> <li>what are the risks that the audit opinion cannot be delivered by 31st March?</li> <li>what are the mitigation actions, are they realistic?</li> </ul>	40%
<b>Total score for the Technical Section</b>	<b>75%</b>		

### Evaluation scoring matrix for the Price Section:

Criteria	Weight in overall score (a)	Tendered price (b)	Price of cheapest tender (c)	Price score (d) = (c) / (b)	Weighted price score (e) = (d) x (a)
Pricing for initial period of 4 years	20%				
Extension charges	5%				
<b>Total score for the Price Section</b>	<b>25%</b>				