



Open call for tenders No AO 276

“Provision of external audit services to the European Court of Auditors”

European Court of Auditors

ANNEX 2 TENDER SPECIFICATIONS

May 2014

Table of Contents

PART A. ADMINISTRATIVE PROVISIONS	4
1. Preliminary information concerning the call for tenders.....	4
1.1. Subject of the call for tenders	4
1.2. Starting date of the contract and duration of the tasks	4
1.3. Estimated value of the contract.....	4
2. Participation in this call for tenders.....	4
3. Assessment	4
4. Form and content of the tender	4
5. Structure of the tender	5
6. Chapter one: administrative information.....	5
7. Chapter two: exclusion criteria	6
7.1. Exclusion from participating in procurement procedures	6
7.2. Exclusion from awarding of the contract.....	6
7.3. Evidence related to the exclusion criteria.....	7
8. Chapter three: selection criteria.....	8
8.1. Legal capacity.....	8
8.2. Economic and financial capacity.....	8
8.3. Technical and professional capacity.....	9
9. Chapter four: award criteria – technical offer	10
9.1. Documents to provide relating to the Technical Offer.....	10
9.2. Evaluation of the Technical Offer.....	11
10. Chapter five: award criteria – financial offer	13
10.1. Documents to provide relating to the Financial Offer.....	13
10.2. Evaluation of the Financial Offer	13
11. Final evaluation	13
12. Information for tenderers.....	14
13. Joint offers and subcontracting.....	14
13.1. Joint offer.....	14
13.2. Documents to submit – joint offer.....	15
13.3. Subcontracting	16
13.4. Documents to submit – subcontracting.....	16
PART B. TECHNICAL SPECIFICATIONS.....	18

1.	Background information.....	18
2.	Subject of the contract	18
2.1.	Statutory audit of accounts	19
2.2.	Examination of samples transactions.....	19
3.	General requirements concerning tenderers.....	19
4.	Technical merits of the auditors.....	19
5.	Execution of the contract	20
5.1.	Deliverables.....	21
5.2.	Acceptance and monitoring	22
5.3.	Meetings.....	22
5.4.	Working languages	22

PART A. ADMINISTRATIVE PROVISIONS
--

1. PRELIMINARY INFORMATION CONCERNING THE CALL FOR TENDERS

This call for tenders follows the publication of:

- the contract notice in OJ **2014/S 101-175785 of 27/05/2014**.

This call for tenders has been issued by the European Court of Auditors (hereafter referred to as “the Court”), who will sign the contract and monitor its implementation.

1.1. Subject of the call for tenders

This call for tenders is aiming to award a service contract related to provision of external audit services to the Court. The detailed description of the services to be provided is to be found in part B of the present document.

1.2. Starting date of the contract and duration of the tasks

The contract shall enter into force on the date on which it is signed by the last contracting party. It is expected to be signed in the fourth quarter of 2014.

The contract will be signed for the initial period of 4 (four) years. The Contract shall be renewed automatically up to 3 (three) times, each time for a period of execution of tasks of 12 (twelve) months.

1.3. Estimated value of the contract

The estimated value of the contract is EUR 550 000,- EUR for the whole duration of the contract (4+1+1+1 years).

2. PARTICIPATION IN THIS CALL FOR TENDERS

The competition is open to companies that have the necessary skills and expertise for the provision of the requested services. These can be legal entities coming within the scope of the Treaties but no legal entity coming from a third country shall be accepted.

3. ASSESSMENT

The assessment of tenderers and tenders takes place in three (3) main stages, whose aims are:

- to check, in the first stage (exclusion criteria), whether tenderers can take part in the tendering procedure and, where applicable, be awarded the contract (see section 7);
- to check, in the second stage (selection criteria), the legal, economic and financial capacity and the technical and professional capacity of each tenderer who has passed the first stage (see section 8);
- to assess, on the basis of the award criteria, each tender which has passed the first and second stages (see sections 9, 10 and 11).

The assessment procedure may end with the award of the contract.

4. FORM AND CONTENT OF THE TENDER

Tenders must be clear and concise and assembled in a coherent fashion (e.g. bound or stapled, etc.). The tenderers are required to follow the structure of the model offer attached to the

invitation to tender under Annex 3 containing all standard reply forms and listing all the documents that must be supplied in order to tender. If the tender is divided into different files, it is advised to make a table of contents for each file.

Information on the general requirements and on how to submit the tender is provided in the invitation to tender.

5. STRUCTURE OF THE TENDER

All tenders must be presented in five (5) chapters (see Annex 3 to the invitation to tender - model of offer):

Chapter One: administrative information

Chapter Two: exclusion criteria

Chapter Three: selection criteria

Chapter Four: award criteria - technical offer

Chapter Five: award criteria - financial offer

Chapters One to Four, on the one hand, and Chapter Five, on the other hand, must be submitted in two (2) separate sealed envelopes, which together are placed in double sealed envelopes as described in the invitation to tender. Each inner envelope must clearly indicate its contents (“Chapters One to Four” or “Chapter Five”).

Please observe that all documentation has to be provided on paper in **triplicate** (original and two copies), in **recto-verso** where possible.

6. CHAPTER ONE: ADMINISTRATIVE INFORMATION

In Chapter One, the tenderer must provide the following documents:

- **covering letter** signed by an authorised representative(s) of the tenderer, including name, address, fax number and e-mail address of the contact person responsible for submission of the tender;
- a **financial identification form** filled in and signed by an authorised representative(s) of the tenderer. The form must be accompanied by a copy of the bank account identification issued by the bank or a copy of a bank statement. The form is provided in Annex 3 to the invitation to tender - Form 1;
- the **completed form for identification of the tenderer** as provided in Annex 3 to the invitation to tender - Form 2;
- in case of joint offer (see section 13.1)

A **declaration** based on the model agreement on the “Power of Attorney” (Annex 3 - Form 3), signed by the authorised representatives of **all** the partners of the joint offer including the:

- recognition of joint and several liability by all the partners of the joint offer for the performance of the contract;
- power of attorney for one of the partners of the joint offer (co-ordinator) to represent the other parties to sign and administrate the contract.
- in case of subcontracting (see section 13.3)

The **questionnaire for subcontracting** (Annex 3 - Form 4) must be provided signed by an authorised representative of the tenderer and of the subcontractor.

7. CHAPTER TWO: EXCLUSION CRITERIA

7.1. Exclusion from participating in procurement procedures

In accordance with Article 106 of the European Parliament and of the Council Regulation No 966/2012 of 25 October 2012 **on the financial rules applicable to the general budget of the Union** – hereinafter referred to as “the Financial Regulation” (OJ L 298/1 of 26 October 2012) and repealing Council Regulation (EC, Euratom No 1605/2002), tenderers shall be excluded from the selection and award procedures if they:

- a) are bankrupt or being wound up, are having their affairs administered by the Court, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations; or
- b) have been or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata; or
- c) have been guilty of grave professional misconduct proven by any means which the contracting authorities can justify including by decisions of the EIB and international organisations; or
- d) are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed; or
- e) have been or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests; or
- f) are subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation.

Points (a) to (d) shall not apply in the case of the purchase of supplies on particularly advantageous terms from a supplier which is definitively winding up its business activities or from the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

Points (b) and (e) shall not apply where the candidates or tenderers can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over them, who are subject to a judgement as referred to in points (b) or (e).

7.2. Exclusion from awarding of the contract

No contract will be awarded to tenderers who, at the time when contracts are being awarded under this procedure:

- a) have a conflict of interest. The Court must ensure that the tenderers do not, at the time of submitting a tender, have any conflict of interest in connection with this call for tenders, a conflict of interest possibly arising in particular as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest. The Court reserves the right to assess whether a conflict of interest exists.

Tenderers are asked to declare:

- that they will inform the contracting authority, without delay, of any situation considered a conflict of interest or which could give rise to a conflict of interest;
 - that they have not made and will not make any offer of any type whatsoever from which an advantage can be derived under the contract;
 - that they have not granted and will not grant, have not sought and will not seek, have not attempted and will not attempt to obtain, and have not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to the award of the contract;
- b) if the information provided to the Court within the context of this call for tenders is not accurate, sincere and complete;
- c) if the tenderers are in any of the situations described in paragraph 7.1. a) to f) above.

7.3. Evidence related to the exclusion criteria

As evidence related to the exclusion criteria:

- a) Tenderers shall provide the **declaration of honour** (Annex 3 - Form 5), signed by an authorised representative of the tenderer and dated, stating that they are not in one of the situations described above. However, the Court reserves the right to verify the information.
- b) The tenderer to whom the contract is to be awarded shall provide, within ten (10) days preceding the signature of the contract, the evidence referred to in the following paragraph, confirming the declaration of honour.
- c) The contracting authority will accept, as satisfactory evidence that the tenderer to whom the contract is to be awarded is not in one of the situations described in paragraph 7.1., a), b) or e), an extract from the judicial record or, failing that, an equivalent document issued by a judicial or administrative authority in the country of origin or provenance, showing that those requirements are satisfied.
- d) The contracting authority will accept, as satisfactory evidence that the tenderer is not in one of the situations described in paragraph 7.1. d), a certificate issued by the competent authority of the Member State concerned.
- e) Where no such document or certificate is issued by the country concerned and for other cases of exclusion referred to in cases laid down in paragraph 7.1. above, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his or her country of origin or provenance.

These documents or certificates must be valid on the closing date for receipt of tenders, and in any case, they must have been delivered less than twelve (12) months before this closing date.

Depending on the national legislation of the country in which the tenderer is established, the documents referred to in a) and c) above must relate to legal persons and/or natural persons including, where considered necessary by the contracting authority, company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

The Court reserves the right to request additional evidence in relation to the tender submitted for clarification or verification purposes within a time-limit stipulated in its request.

For the purpose of the correct application of paragraphs 7.1, and 7.2. above, the tenderer, whenever requested by the Court at any stage of the evaluation procedure, must, where the tenderer is a legal entity, provide information on the ownership or on the management, control and power of representation of the legal entity.

8. CHAPTER THREE: SELECTION CRITERIA

Selection of the tenderer suitable for award of the contract will be based on an assessment of the tenderer's:

- legal capacity,
- economic and financial capacity and
- technical and professional capacity

to carry out the tasks set out in the tender specifications throughout the duration of the contract.

A tenderer may, where appropriate, rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. In that case, he must prove to the Court that he will have the resources needed to perform the contract, for instance by providing an assurance of the undertaking by those entities to make them available to him. In that case the Court is entitled to refuse the application or the tender submitted if it has doubts about the undertaking by the third party or about that party's financial capacity.

The Court reserves the right to request additional evidence in relation to the tender submitted for clarification or verification purposes within a time-limit stipulated in its request.

Tenders may be submitted individually or in association with third parties (see point 13).

8.1. Legal capacity

Legal capacity will be assessed on the basis of the following document:

- Proof of entry on the professional or trade register under the conditions laid down by legislation in the country in which the tenderers reside.

8.2. Economic and financial capacity

Tenderers must have sufficient economic and financial capacity to enable them to perform the contract in compliance with the contractual provisions, taking into account its value and scale. If, in the light of the information supplied by the tenderer, the Court has doubts about his

financial capacity, or if it is clearly insufficient for performance of the contract, the tender may be rejected without the tenderer being able to claim any financial compensation.

In respect of the contract which is the subject of this invitation to tender, the Court furthermore requires tenderers to have a minimum financial and economic capacity, which will be assessed on the basis of the following information:

- the average annual turnover in the field of **statutory audit of accounts** in the past 3 financial years (2013, 2012 and 2011) must be at least 500 000 EUR;

In order to prove that the tenderer has sufficient economic and financial capacity to perform the Contract, the following documentation must be presented:

- a) A statement of overall turnover and a specific turnover concerning the services covered by this call for tender (statutory audit), realised over the past 3 financial years;
- b) Audited financial statements (balance sheets and profit and loss accounts) for at least the last three financial years for which accounts have been closed, or equivalent documentation (e.g. where company law in the country in which the tenderer is established does not require publication of balance sheet).

If, for some exceptional reason that the Court considers justified, the tenderer is unable to provide the references requested by the Court, he may prove his economic and financial capacity by any other means that the Court considers appropriate.

8.3. Technical and professional capacity

Tenderers must have sufficient technical and professional capacities to enable them to perform the contract in compliance with the contractual provisions, taking into account its value and scale. If, in the light of the information supplied by the tenderer, the Court has doubts about a tenderer's technical and professional capacity, or if it is clearly insufficient for performance of the contract, the tender may be rejected without the tenderer being able to claim any financial compensation.

In respect of the contract which is the subject of this invitation to tender the Court requires tenderers to have the following technical and professional capacity:

- the tenderer must be duly authorised to provide statutory audit of accounts;
- the tenderer should have at least three **3 (three) years' proven experience** in statutory audit of accounts and in audit of Internal Control Systems (including IT and IT security);
- the tenderer should have executed at least **5 (five) similar contracts/projects**;
- the tenderer should dispose **IT applications** supporting the audit process (CAATS or other);
- the tenderer should have **quality control** and **quality assurance** procedures in place for the provision of statutory audit of accounts;

The technical and professional capacity of economic operators will be substantiated by the following documents:

- **Brief presentation of the company** (history, economic activity related to the category of services covered by this invitation to tender);

- Copy of the **authorisation** to carry out the statutory audit of accounts issued by the relevant authority of the member state in which the tenderer is established;
- A list of at least **5 relevant contracts/projects** carried out in the last **3 years** in concerning the statutory audit of accounts, proving the 3 years of experience in the audit sector.

At least one of the contracts/projects must refer to statutory audit of accounts carried out in a **national** or **international public body**.

The following information shall be included: description of contract/project including list of services covered by the contract/project, sums, dates and performance place, recipients, public or private. Where the services are provided to contracting authorities, evidence of performance shall be in the form of certificates issued or countersigned by the competent authority;

- A description of **CAATS packages** or other **IT applications** supporting the audit process;
- A description of the **quality control** and **quality assurance** procedures for the provision of statutory audit of accounts.

9. CHAPTER FOUR: AWARD CRITERIA – TECHNICAL OFFER

The award criteria have the purpose to choose between the tenders which have been submitted by tenderers not subject to exclusion and which meet the selection criteria.

The contract will be awarded to the tenderer who submits the most economically advantageous tender as determined in point 11 which takes into consideration both the **Technical Offer** and the **Financial Offer** that the tenderers must include in their replies to this call for tenders.

9.1. Documents to provide relating to the Technical Offer

This part has to contain the documents showing the merits of the tender, to make it possible to evaluate the technical award criteria.

1. Tenderer's technical approach and methodology

Tenderers shall describe how a statutory audit should be carried out in an organisation such as the European Court of Auditors. In particular, the tenderers shall describe:

- practical implementation of the tasks,
- the methodology used.

2. Proposal for work plan/timetable

Tenderers shall propose a **detailed and realistic planning** for the annual statutory audit of accounts. The proposed planning shall be user-friendly, clear, legible and easy to understand, with a clear sequence of the various tasks over time. It shall:

- include the project milestones and time deadlines,

- take account of the indicative timetable as proposed in the specifications, assuring the respect of the deadlines established in the Financial regulation applicable to the general budget of the union and its rules of application (Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 and Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012),
- indicate possible hurdles likely to delay work and details of any other key information for consideration which has not been mentioned.

3. Composition of team and organisation of the work

Tenderers shall describe in detail the team's composition (number and profiles of the auditors assigned to the project, their roles and responsibilities), the proposed form of team organisation and how the tasks will be assigned within the team for the whole duration of the project.

If the tenderer is awarded the contract, the team in the composition as proposed by the tenderer in its technical offer must be available when the provision of services starts.

9.2. Evaluation of the Technical Offer

The technical award criteria are intended to assess the quality of the tenders based on the proposal of the tenderer. The technical evaluation will be based on the following criteria.

No	Technical award criteria	Weighting (maximum points)	Threshold (minimum points)
1.	Tenderer's technical approach and methodology The proposal will be assessed against the following award criteria:	15	7,5
	<ul style="list-style-type: none"> Does the practical implementation proposed for the tasks described in the specifications demonstrate efficiency and effectiveness of approach and method, in particular identify key risks and how they will be addressed? 	5	n.a.
	<ul style="list-style-type: none"> Is the description of the contractor's proposed approach for the tasks described in the specifications sufficiently detailed and clear, in particular the key methods to be used? 	5	n.a.

	<ul style="list-style-type: none"> Are the expected outputs and results clearly and convincingly presented, in particular with respect to the proposed wordings for the opinions to be given? 	5	n.a.
2.	Proposal for work plan/timetable The proposal will be assessed against the following award criteria:	20	10
	<ul style="list-style-type: none"> Is the work plan and timetable in sufficient detail to demonstrate the feasibility of the proposed methodology, approach, and outputs? 	10	n.a.
.	<ul style="list-style-type: none"> Does the work plan specifically refer to key documents, reports, and stages of the audit to be carried out? 	10	n.a.
3.	Proposal for the composition of team and organisation of the work The proposal will be assessed against the following award criteria:	40	20
	<ul style="list-style-type: none"> To what extent have staff with highly relevant experience and training been assigned to the project based on the CVs and taking into account the relevant professional qualifications and experience of team members, in particular with regard to providing external audit services to national or international public sector bodies 	20	n.a.
	<ul style="list-style-type: none"> Does the tenderer give a realistic assessment of the resources required, and the allocation of the proposed auditors to the various elements of the tasks described in the specifications? 	10	n.a.
	<ul style="list-style-type: none"> Does the tenderer demonstrate that the work will 	10	n.a.

	be efficiently organised, implemented and managed?		
Total number of points		75	37,5

The result of the technical evaluation is the sum of the number of points obtained as a result of the evaluation of each criterion. Only those bids which are awarded at least half the points for each criterion will be considered for the award of the contract.

If a tenderer's proposal goes beyond the minimum requirements described in the technical specifications, such a proposal shall be binding during the execution of the contract, if the tenderer is awarded the contract.

10. CHAPTER FIVE: AWARD CRITERIA – FINANCIAL OFFER

10.1. Documents to provide relating to the Financial Offer

For the Financial Offer, the tenderers are required to use Form 6 in Annex 3 to the invitation to tender.

The Financial Offer must fulfil the following requirements:

- **prices must be expressed in euro;**
- prices should be expressed to a **maximum of two (2) decimal places;**
- **prices should be all-inclusive** - all costs associated with the completion of the work, including overheads such as infrastructure, administration costs and travel costs should be included in the overall fixed price in the financial proposal (no reimbursable variable costs).
- **prices should be quoted free of all duties, taxes and other charges, i.e. also free of VAT**, as the European Union is exempt from such charges in the Member States under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Union of 8 April 1965 (OJ C 83 of 30 March 2010). Exemption is granted to the Court of Auditors by the governments of the Member States, either through refunds upon presentation of documentary evidence or by direct exemption.

For those countries where national legislation provides an exemption by means of a reimbursement, the amount of VAT is to be shown separately. In case of doubt about the applicable VAT system, it is the tenderer's responsibility to contact its national authorities to clarify the way in which the European Union is exempt from VAT.

10.2. Evaluation of the Financial Offer

During this phase the financial offer will be verified for fulfilment of the requirements.

11. FINAL EVALUATION

Only those tenders that have passed the previous stages will be considered for this final evaluation.

The contract will be awarded to the tenderer with the **most economically advantageous tender**.

In order to identify the tender presenting the best value for money, quality will be given a weighting of 60% and price will be given a weighting of 40% in accordance with the following formula, using only data from tenders that have reached the final evaluation stage:

$$\text{Score for tender X} = \frac{\text{cheapest price}}{\text{Price of tender X}} * 40 + \frac{\text{Total quality score of tender X (out of 75)}}{75} * 60$$

12. INFORMATION FOR TENDERERS

The Court will inform tenderers of decisions reached concerning the award of the contract, including the grounds for any decision not to award a contract or to recommence the procedure.

If a written request is received, the Court will inform all rejected tenderers of the reasons for their rejection and all tenderers submitting an admissible tender of the characteristics and relative advantages of the selected tender and the name of the successful tenderer.

However, certain information may be withheld where its release would impede law enforcement or otherwise be contrary to the public interest, or would prejudice the legitimate commercial interests of economic operators, public or private, or might prejudice fair competition between them.

13. JOINT OFFERS AND SUBCONTRACTING

This point only applies for tenders involving joint tenders or subcontracting. If this is not the case, please continue to the next chapter.

Where a tender involves several legal entities, they may choose between:

- making a joint offer, in which case all the economic operators must be considered as partners and, if theirs is the successful tender, as contractors (in this case, one of the partner's must be put forward as co-ordinator to manage the contract); and
- making a tender in the name of only one tenderer, who is then the sole contractor if the tender is successful, the other legal entities being considered as subcontractors.

13.1. Joint offer

Partners in a joint offer assume joint and several liabilities towards the Court for the performance of the contract as a whole. Statements saying, for instance:

- that one of the partners of the joint offer will be responsible for part of the contract and another one for the rest, or
 - that more than one contract should be signed if the joint tender is successful,
- are thus incompatible with the principle of joint and several liability.

The Court will disregard any such statement contained in a joint tender, and reserves the right to reject such tenders without further evaluation on the grounds that they do not comply with the tendering Specifications.

In the case of a joint offer, one of the partners of the joint offer (co-ordinator) should be given power of attorney to represent the other parties to sign and administrate the contract.

If the joint tender is selected the, partners may be required to adopt a given legal form after they have been awarded the contract if this change is necessary for proper performance of the contract.

It is not allowed for a tenderer who tenders alone or as part of a consortium, to tender again for the same lot, alone or as part of a consortium.

13.2. Documents to submit – joint offer

In the case of a joint offer, the following documents must be provided:

Chapter one: administrative information

1. A **declaration** based on the model agreement on the “Power of Attorney” attached in Annex 3 - Form 3, signed by the legal representatives of all the partners of the joint offer including the:

- recognition of joint and several liability by all the partners of the joint offer for the performance of the contract;
- power of attorney for one of the partners of the joint offer (coordinator) to represent the other parties to sign and administrate the contract.

2. If the partners of the joint offer have already set up a consortium or similar entity to that end, they should state this in their tender, together with any other relevant information and connected documentation.

3. The **form for identification** (Annex 3 – Form 2) of the tenderer must be provided by each partner of the joint offer.

Only the co-ordinator must return the financial identification form.

Chapter two: exclusion criteria

4. Each partner of the joint offer must fill in and return the **declaration of honour** (Annex 3 – Form 5). Each partner of the consortium to whom the contract is to be awarded shall provide, within ten (10) days preceding the signature of the contract, the evidence referred to in point 7.3, confirming the declaration of honour.

Chapter three: selection criteria

5. Each of the partners of the joint offer must provide the documents regarding the legal capacity:

- Document of incorporation and the company’s statutes (with last updates);
- Proof of entry on the professional or trade register under the conditions laid down by legislation in the country in which the tenderers reside;

6. Each of the partners of the joint offer must provide the documents regarding the economic and financial capacity:

- A statement of overall turnover and a specific turnover concerning the services covered by this call for tender, realised over the past 3 financial years;
- Audited financial statements (balance sheets and profit and loss accounts) for at least the last three financial years for which accounts have been closed, or equivalent documentation (e.g. where company law in the country in which the tenderer is established does not require publication of balance sheet).

The documents concerning the professional and technical capacity have to be completed once for all the partners of a joint offer, but it must be indicated to which partner the described capacities belong.

Chapters Four and Five: award criteria

The documents relating to the award criteria shall be provided once by the coordinator representing the consortium.

13.3. Subcontracting

If certain tasks provided for in the contract are entrusted to subcontractors, the contractor retains full liability towards the Court for performance of the contract as a whole. Accordingly:

- the Court will treat all contractual matters (e.g. payment) exclusively with the contractor, whether or not the tasks are performed by a subcontractor;
- under no circumstances can the contractor avoid liability towards the Court on the grounds that the subcontractor is at fault.

During execution of the contract, the contractor will need the Court's express authorisation to replace a subcontractor with another and/or to subcontract tasks for which subcontracting was not envisaged in the original tender.

The authorising officer responsible reserves the right to accept or reject the proposed subcontractor. In order to do so he *may demand* the requisite proof to establish whether the subcontractor(s) complies/comply with the requisite criteria. The Court's authorisation will always be granted in writing.

The Court is entitled to reject any subcontractor who does not comply with the exclusion and/or selection criteria.

If the contract is awarded to a tenderer who proposes a subcontractor in his tender, this equates to giving consent for the subcontracting.

13.4. Documents to submit – subcontracting

If the tender envisages subcontracting, it must include the following.

Chapter one: administrative information

1. The **questionnaire for subcontracting** provided in Annex 3 – Form 4, including a letter of intent signed by a legal representative of the tenderer and of subcontractor. Please provide as many **questionnaires** as there are subcontractors.

Chapter two: exclusion criteria

2. Subcontractors must provide the duly signed **declaration of honour** (Annex 3 – Form 5). In case of doubt on this declaration of honour, the Court will request the evidence referred to in paragraph 7.3.

Chapter three: selection criteria

3. During the contract award procedure or performance of the contract the European Court of Auditors *reserves the right to require* tenderers to supply information about the legal, financial, economic, technical and professional capacity of the proposed subcontractor(s).

4. However, in case the tenderer relies on the capacities of subcontractors/freelancers for fulfilling the selection criteria the documents related to the economic and financial and/or professional and technical capacity as defined in point 8.2 and/or 8.3 shall be provided.

Chapters four and five: award criteria

The documents relating to the award criteria shall be provided only by the tenderer.

PART B. TECHNICAL SPECIFICATIONS

1. BACKGROUND INFORMATION

The European Court of Auditors is the EU Institution established by the Treaty in 1977 to carry out the audit of EU finances. As the EU's external auditor it contributes to improving EU financial management and acts as the independent guardian of the financial interests of the citizens of the Union. The Court promotes accountability and transparency and is committed to being an efficient organisation at the forefront of developments in public audit and administration.

The Court checks if the budget of the EU has been implemented correctly, and that EU funds have been raised and spent legally and in accordance with the principles of sound financial management.

In democratic societies, complete, accurate and readily available information on budgetary and policy implementation is essential for effective scrutiny and decision-making. Such information helps promote sound financial management and serves as a basis for accountability. Like Member States, the EU needs an external auditor which can act as an independent guardian of the financial interests of its citizens.

As Europe faces ever greater challenges and increasing pressure on its public finances, the role of the Court is of increasing importance. The Court warns of risks, provides assurance and offers guidance to EU policymakers on how to improve the management of public finances and ensure that Europe's citizens know how their money is being spent. This is the essence of the Court's contribution to strengthening the democratic legitimacy and sustainability of the EU.

In the interests of transparency the Court has since 1992 engaged an independent auditor to provide an opinion on the truth and fairness of its own accounts and a report on the operation of internal controls. The previous audit reports and the annual accounts of the Court are available under <http://www.eca.europa.eu/en/Pages/ExternalAuditor.aspx>

General information about the Court's mission, mandate, organisation, and rules of procedure is available on the Court's website, <http://www.eca.europa.eu> in all official languages of the EU.

2. SUBJECT OF THE CONTRACT

The subject of the contract is audit of annual accounts of the Court of the following years: 2014 - 2020 and examination of some sample transactions randomly selected carried out by the Court.

The contractor shall examine the truth and fairness of the **annual accounts of the Court** and whether the resources assigned to the Court have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place provide the necessary guarantees concerning the compliance of financial operations with the applicable rules and regulations such as:

- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget (hereafter the “Budget”) of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, as amended in the future (hereafter the “FR”);

- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, as amended in the future (hereafter the “RAP”);

Decision No 31-2013 of the European Court of Auditors laying down the internal rules for the implementation of the budget of 27 June 2013The audit shall be carried out in conformity with International Standards on Auditing.

2.1. Statutory audit of accounts

The annual accounts shall cover the following:

- Balance Sheet
- Statement of Financial Performance
- Cash-flow statement
- Statement of Changes in Net Assets
- Notes to the financial statements
- Budget information for the audited financial year

2.2. Examination of samples transactions

Apart from the statutory audit of accounts the Contractor shall examine sample transactions (maximum 3 per year) carried out by the Court in the last year. To this end, the Court will provide to the Contractor the audit programme (check list). The contractor will provide a Report of factual findings resulting from agreed-upon procedures regarding financial information. The sample check lists can be provided to tenderers on request.

As an example, the transactions selected in the recent years included salary payments and invoices paid to a contractor.

3. GENERAL REQUIREMENTS CONCERNING TENDERERS

The tenderer carrying out the external audit must be fully independent of the ECA. Moreover, the auditors who will perform the external audit must not have either a real or apparent conflict of interest. They must perform the work with integrity and objectivity which implies an unbiased mental attitude, fairness and honesty. To this end, prior to the start of service provision, the contractor will sign the declaration of confidentiality and absence of conflicts of interests, that will be provided by the Court.

4. TECHNICAL MERITS OF THE AUDITORS

The services shall be performed by a team of auditors having at least the following educational and professional qualities:

- the main person responsible for external audit services at the Court should be statutory auditor (réviseur d'entreprises agréé) with recent professional experience of at least 5 years in external audit and in the assessment of Internal Control Systems,
- the team members should be audit professionals with professional experience of at least 3 years in audit,
- a member of the team must have expertise in IT audit, CISA will be considered as an advantage,
- other certifications of the main person as well as of the team members like Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA) or Certified Government Auditing Professional (CGAP), Chartered Certified Accountant will be considered as an advantage,
- proficiency in English (reading, speaking, writing),
- proficiency in French will be considered as an advantage,
- experience in audit services provided in public sector and in particular in the European institutions will be considered as an advantage.

Only the auditors presenting the profiles proposed by the contractor as a part of its offer will be allowed to perform the requested tasks.

The auditors presenting the profiles proposed by the contractor to deliver the requested services must be available when the provision of services starts.

Any change of auditors during the performance of the Contract must be notified in advance to the Court and justified in writing. The new auditors should present at least the same type of profile as the ones described in the offer. With a view to continuity in the sound management of the Contract, the Court retains the right to refuse any assignment which it deems incompatible with the tasks involved and which is not at least of equivalent quality to the person to be replaced.

5. EXECUTION OF THE CONTRACT

The services forming the subject of this invitation to tender will involve liaison with a number of services of the Court of Auditors. The primary point of contact shall be the service of the Secretary General.

The first audit mission shall concern year 2014.

The following deadlines shall apply to the tasks to be carried out for audit of year (n) under the assumption that the Court will provide the provisional financial accounts to the Contractor by 1st March year (n) + 1 at the latest:

No	Task description	Deliverable	Deadline
1.	Kick-off meeting of the audit mission with the Secretary General	Presence in Luxembourg Timetable for the audit mission Audit plan List of documents	At the latest October year (n)

		required for audit	
2.	Audit of the provisional annual accounts and sample transactions. This includes the following activities:		
2a.	Audit visits (if necessary)	Presence in Luxembourg	By the end of November year (n)
2b.	Audit visits	Presence in Luxembourg	In March year (n)+1
2c.	Drafting of reports	draft reports (see below)	At the latest on 15 May year (n)+1
3.	Presentation of the audit results to the Secretary General	Presence in Luxembourg Presentation and discussion in Luxembourg	Mid May year (n)+1
4.	Presentation of the audit results to the Audit Committee of the Court of Auditors	Presence in Luxembourg Presentation of the audit results in Luxembourg	Mid May year (n)+1
5.	Provision of final reports	final version of the reports	Before 31 May year (n)+1

5.1. Deliverables

The following types of deliverables are expected during each audit mission: draft report and final version of report.

The following reports (drafts and final versions) are expected:

- A report expressing an opinion as to whether the annual accounts of the Court present fairly, in all material respects, the financial position and the results of its financial operations and cash-flows in accordance with the applicable financial reporting framework (see <http://www.eca.europa.eu/en/Pages/ExternalAuditor.aspx>).
- A report on whether resources assigned to the Court have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place provide the necessary guarantees to ensure the compliance of financial operations with the applicable

rules and regulations (see <http://www.eca.europa.eu/en/Pages/ExternalAuditor.aspx>).

- A report of factual findings resulting from agreed-upon procedures regarding financial information.

These reports, which should be in English, will be published annually in the Official Journal of the European Union alongside the annual accounts to which they relate (except for the last report).

On completion of the engagement the contractor shall also provide a letter addressed to the Court's management and the Internal Auditor detailing any weaknesses noted during the course of the audit in the Court's internal control systems with recommendations designed to address those weaknesses.

All reports must be delivered on paper (3 printed copies) and in appropriate electronic formats addressed to the Secretary General. Texts must be submitted in Word, tables and graphics in Microsoft Excel.

5.2. Acceptance and monitoring

Elements which will be monitored by the Court of Auditors will include:

- The quality and timeliness of the reports;
- The quality of the staff assigned to the project and adherence to the staff profile requirements as outlined in these specifications and proposed in the offer.

5.3. Meetings

The services forming the subject of this invitation to tender will involve liaison with a number of services of the Court of Auditors. Regular meetings with the Internal Auditor should be organised in order to discuss issues concerning the implementation of his Annual Work Programme, his audit findings, the implementation of his recommendations and of any risks affecting the Court's management. All the meetings with Court of Auditor staff will be held in Luxembourg.

Travel expenses for such consultation on work progress should be included in the overall fixed price in the financial proposal.

5.4. Working languages

The working language of this project will be French and/or English.