

# Request for Proposal

August 16, 2012

*Small and Medium Practices Committee*

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Request for Proposal:  
Development of a Publication  
Supporting the Implementation of  
ISRE 2400 (Revised),  
*Engagements to Review Historical  
Financial Statements*, for Reviews  
of Small- and Medium-Sized  
Entities





The mission of the International Federation of Accountants (IFAC) is to serve the public interest by: contributing to the development, adoption and implementation of high-quality international standards and guidance; contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants; promoting the value of professional accountants worldwide; speaking out on public interest issues where the accountancy profession's expertise is most relevant.

**REQUEST FOR PROPOSAL: DEVELOPMENT OF A PUBLICATION  
SUPPORTING THE IMPLEMENTATION OF ISRE 2400 (REVISED),  
ENGAGEMENTS TO REVIEW HISTORICAL FINANCIAL STATEMENTS,  
FOR REVIEWS OF SMALL- AND MEDIUM-SIZED ENTITIES**

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## Section 1: Administration

### 1.1 Request for Proposal

This document is a formal Request for Proposal (RFP)<sup>1</sup> for the supply, to the Small and Medium Practices (SMP) Committee<sup>2</sup> of the International Federation of Accountants (IFAC),<sup>3</sup> of a comprehensive publication to support the implementation of the International Auditing and Assurance Board's (IAASB's) International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*.<sup>4</sup>

The proposal should include all the costs associated with producing the publication (see Section 5). The selected vendor (hereby known as the "supplier") will be responsible for the provision of a suitable product which meets the project objectives as described in Section 3.

### 1.2 Contact at IFAC

All enquiries relating to this RFP should be directed to:

Paul Harrison

Technical Manager, SMP Committee

Email: [PaulHarrison@ifac.org](mailto:PaulHarrison@ifac.org)

with a copy to:

Paul Thompson

Deputy Director, SME & SMP Affairs

Email: [PaulThompson@ifac.org](mailto:PaulThompson@ifac.org)

### 1.3 Confidentiality of Information

All information contained in this RFP is publicly available. We will, however, treat all proposals in response to this RFP in the strictest confidence.

### 1.4 Submission of Proposals

IFAC is not responsible for any costs incurred by you in the preparation of your response to this invitation. The preparation of your proposal shall be made without obligation by IFAC to acquire any of the items included in the proposal or to discuss the reasons why the proposal is accepted or rejected.

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<sup>1</sup> In some jurisdictions this is referred to as an Invitation to Tender (ITT).

<sup>2</sup> The SMP Committee is established by IFAC to represent the interests of small and medium practices around the world. See [www.ifac.org/smp](http://www.ifac.org/smp) for more details.

<sup>3</sup> More information about IFAC can be found at [www.ifac.org](http://www.ifac.org).

<sup>4</sup> ISRE 2400 (Revised) was approved for issue by the IAASB in June 2012 and is available at [http://www.ifac.org/sites/default/files/meetings/files/20120611-IAASB-Agenda-Item-2C\\_ISRE\\_2400\(clean-FINAL\)\\_V5.5.pdf](http://www.ifac.org/sites/default/files/meetings/files/20120611-IAASB-Agenda-Item-2C_ISRE_2400(clean-FINAL)_V5.5.pdf). Note the issuance of ISRE 2400 (Revised) is subject to confirmation by the Public Interest Oversight Board that due process has been followed.

If the proposal is accepted, it will form part of the contract that will be negotiated subsequently. Any statements, therefore, included in the proposal as to the performance of the product will be contractually binding.

We may require meetings with suppliers to clarify details included in the proposals and these shall be arranged at the discretion of IFAC. We may also require product demonstrations.

If any sub-contractors or third-party suppliers will be used for any part of the publication's development, this should be clearly stated.

The successful supplier must undertake not to make any reference to IFAC in any literature, promotional material or sales presentation without prior consent from IFAC.

**Proposals should be completed and submitted no later than mid-day (US Eastern Standard Time) on Friday, September 28, 2012 and should be addressed to Paul Harrison, with a copy to Paul Thompson, at the email addresses shown above.**

### 1.5 Assessment Criteria

The main criteria on which the proposals will be assessed include the:

- Quality of the proposal submitted.
- Ability of the proposed product to meet the stated aims of the publication as described elsewhere in this document.
- Experience of supplier's personnel in the supply of similar products.
- Supplier's long-term product strategy including plans to develop derivative products such as education and training materials and modules, software tools and electronic practice aids.
- Ease and speed of development.
- Cost of developing the publication.
- Financial soundness of the supplier.

**IFAC does not bind itself to accept the lowest proposal or, indeed, any proposal. In this respect, IFAC reserves the right to award any contract for the development of the publication which, in its opinion, represents value for money.**

### 1.6 Successful Proposal

All proposals will be systematically analyzed by IFAC staff in conjunction with members of the SMP Committee. **The final decision as to the awarding of the project will be communicated via email by October 31, 2012 to all organizations that submitted a proposal.**

## Section 2: Background

### 2.1 IFAC Profile

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

IFAC is currently comprised of 167 member bodies and associates in 127 countries, representing approximately 2.5 million accountants in public practice, education, government service, industry and commerce.

IFAC's mission is to serve the public interest by:

- Contributing to the development, adoption and implementation of high-quality international standards and guidance
- Contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants
- Promoting the value of professional accountants worldwide
- Speaking out on public interest issues where the accountancy profession's expertise is most relevant

## 2.2 Intended Users

The publication is primarily aimed at IFAC member bodies to help them provide enhanced support to their members working in SMPs. These are important constituencies for IFAC, together representing a significant proportion of the 2.5 million accountants that belong to IFAC's member bodies.

The publication is likely to be particularly useful to member bodies and SMPs in those countries where review engagements are not yet well-established, and/or where the profession is in a developmental phase, and/or where neither IFAC member bodies nor commercial providers have published guidance on review engagements. Since the revisions to ISRE 2400 are significant, the publication may also be used by member bodies to implement and improve their current guidance material on review engagements.

We anticipate the publication being used by member bodies and other commercial or non-commercial organizations under license, either in its entirety or as the basis for developing derivative products including education and training materials and modules (in particular to support continuing professional development (CPD)), software tools and electronic practice aids.

In addition, we anticipate other constituents of the accountancy community such as students, policy makers, researchers, international development agencies, and academia will have an interest in the publication.

## Section 3: Statement of Requirements

A detailed analysis of the functional requirements is set out in this section.

### 3.1 Project Objectives

The project's objectives include:

- Increasing the capacity of the global accountancy profession to understand and effectively implement ISRE 2400 (Revised);
- Enabling member bodies to enhance the expertise, competence, and efficiency of professional accountants working in practice;

- Enabling member bodies to provide practical assistance to those engaged in conducting review engagements in compliance with ISRE 2400 (Revised) so as to enhance the quality of such engagements;
- Facilitating adoption of and compliance with ISRE 2400 (Revised) by member bodies, practitioners and others; and
- Providing a basis for the development of other products aimed at promoting adoption and competence, such as education and training materials and modules, software tools and electronic practice aids, etc.

While these objectives are stated in general terms, ultimately the publication needs to be specifically relevant to the SMP/SME environment.

### 3.2 Underlying Principles

The development of this project is guided by the following underlying principles:

- Commitment to high quality;
- Availability in English in electronic form to IFAC member bodies free of charge;
- A platform for others to produce derivative products;
- Jurisdiction neutrality;
- Easy adaptation and translation to suit national jurisdictions; and
- Sector neutrality.

### 3.3 General Requirements

#### *Product Specification*

The final product is an explanatory guide to review engagements for use primarily by IFAC member bodies in supporting their SMPs. It will be an IFAC SMP Committee publication and will not carry the endorsement of the IAASB. The publication will be designed primarily to help SMPs around the world understand, implement and comply with ISRE 2400 (Revised). In so doing, the publication will also need to refer to [International Standard on Quality Control \(ISQC\) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements](#) and the [Code of Ethics for Professional Accountants](#) issued by the IESBA.

The publication will provide documentation on quality control policies and procedures to assist practitioners in complying with the relevant IAASB and IESBA standards referred to above. The publication should contain separate sections for key definitions, guidance, and practice aids and tools.

The publication will need to meet all of the basic principles and essential procedures contained in ISRE 2400 (Revised) while tailoring the guidance for SMPs. As such the publication will need to emphasize that it is non-authoritative and that it will not eliminate the need to refer to the standard itself.

It is understood that professional accountants in individual jurisdictions may need to tailor the publication to meet local/national regulatory or legislative requirements. Consequently, the publication must be structured to make it easily adaptable to the local/national requirements of all the countries in which IFAC member bodies operate.

The publication should also articulate the merits of the standard for SMEs. This would not only inform SMPs but may also help them to promote the service to their SME clients. The publication could also include promotional material aimed at gaining awareness and acceptance of review engagements where these are relatively unknown.

The publication will be user-friendly and intuitive. It will be written in clear and concise language, and consistent with relevant international standards where applicable, so that it may be readily understood and translated into other languages commonly used by IFAC's member bodies.<sup>5</sup> It will be comprehensive but also succinct and non-repetitive.

Finally, the publication must be generic enough to allow development of derivative products including, for example, electronic practice aids, and education and training materials and modules.

Aside from these requirements, it is left to those submitting the proposals to determine exactly how their solution will satisfy the project's objectives.

#### *Maintenance*

The publication will be in a format which readily allows for maintenance and future updates to be carried out by IFAC. IFAC publications are typically produced and maintained using Word or In-Design software.

#### *Quality Review*

Although the supplier will be expected to warrant that the draft publication supplied to IFAC is free of material error and faults, the draft publication will also be subject to a quality review by IFAC staff and SMP Committee members. This review will address both the utility of the publication to the end user and its technical accuracy. IFAC undertakes to complete this review and communicate the results, including details of any revisions required, within 90 days of receiving the draft from the supplier. The process of review and revision is likely to be iterative and may take an additional month, therefore up to four months in total.

### **3.4 Copyright**

All rights to the publication and related intellectual property rights, including copyright, will rest solely with IFAC and only limited acknowledgment of the supplier will be given in the publication itself. However IFAC will, subject to further agreement, permit the successful supplier the non-exclusive rights to use the content of the publication as a basis for developing domestic versions of the publication, provided this is not sold into the international marketplace.

### **3.5 Indicative Timeline**

IFAC intends to issue the publication in November 2013. In order to meet this deadline the supplier will need to adhere to the following timeline:

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<sup>5</sup> IFAC's translation and permissions policies are located at <http://www.ifac.org/Downloads/TranslationOfStandards.pdf> and [http://www.ifac.org/Downloads/permissions\\_policy.pdf](http://www.ifac.org/Downloads/permissions_policy.pdf) respectively.

Deadline for submission of proposals	September 28, 2012
Consideration of proposals and meeting with potential suppliers	Up to October 12, 2012
Decision on awarding project	October 31, 2012
Contract signed with supplier	December 2012
First draft submitted to IFAC for internal quality review	March 29, 2013
Review of first draft by IFAC, subsequent iterations from supplier and reviews by IFAC, through to production of final draft by supplier	April to August 2013
Final draft to be approved by project task force	September 2013
Final publication approved by SMP Committee	October 2013

IFAC would also expect regular communication with the supplier throughout the development of the publication.

## **Section 4: Basis for Award of Contract**

The criteria that will be used to judge the proposals are as follows:

### **4.1 Product**

- Comprehensive but concise.
- Conforms to the product specification and the underlying principles outlined above.
- Capable of easy translation.
- Able to support a broad base of users, in particular SMPs, member bodies and the developing profession.
- User friendly and understandable.
- Capable of easy adaptation to cope with different levels of convergence towards adoption of ISRE 2400 (Revised).
- Sufficiently generic as to provide a basis for the development of derivative products.

### **4.2 Supplier**

- Has experience in developing similar products.
- Demonstrates ability to complete the project on time and in accordance with the product specification.
- Utilizes rigorous quality control processes to ensure a high quality product.

### **4.3 Terms and Conditions**

- Cost
- Conditions surrounding supply.

## **Section 5: Information Required**

### **5.1 Proposal Content and Format**

Proposals should set out clearly all information requested in the following sections.

Where specific questions are asked, individual and factual replies must be given, not general answers or reference to sales literature. Proposals may include relevant technical literature but this should be presented in separate appendices.

Those supplying proposals should be prepared to demonstrate a mock-up publication, including an outline or detailed table of contents, in advance of any final selection being made.

### **5.2 Information Summary**

Please provide a summary of your intended approach to this project stating the main tasks and milestones involved. As a minimum, this summary should specifically address content development (planning/research, writing, revisions), including associated diagrams/charts/graphics; project management; and editorial and design (accuracy review, editorial content review, and proofreading to ensure conformity with IFAC style).

The proposal should also clearly state how the publication satisfies our needs as described in section 3 of this invitation.

### **5.3 Structure and Format**

Please provide details as to the proposed structure and format of the publication, including an outline or detailed table of contents and approximate number of pages, and how this lends itself to ease of use and effectiveness as well as adaptation, updating, and the development of derivative products.

### **5.4 Supplier Information**

Please provide:

- Name of supplier;
- Number of existing customers globally of similar products;
- Financial highlights for the past 3 years including revenue, net income and net assets;
- Track record in publishing technical products for the accountancy profession;
- Samples of similar products, if any;
- Details of the publishing software to be used;
- Limited list of references (2 or 3);
- Brief resumes for proposed authors;
- Details of internal quality review process; and
- Details of any sub-contractors to be used.

## 5.5 Delivery, Publication and Payment

Please supply:

- A detailed project plan (that accords with the timeline in section 3.5) clearly showing:
  - o Initial drafting schedule
  - o Iterations
  - o Proofing
  - o Formatting/Designing
  - o Internal quality review (at each stage)
  - o Revisions resulting from IFAC reviews
- The terms and conditions included in your standard contract for the supply of products; and
- Details of the payment schedule proposed. This will need an acceptance criteria schedule (set in the contract). Final payment will not be made until the publication has been delivered and has cleared IFAC's quality review process (see section 3.3).

## 5.6 Costs

IFAC intends to provide the publication free of charge to its member bodies for their unreserved use. IFAC would also intend to provide the publication to other commercial or non-commercial organizations, subject to the terms of a license agreement. The existence of any contractual restrictions surrounding provision of the materials by IFAC to its member bodies or other organizations must be articulated in your submission.

We envisage that many IFAC member bodies, with the appropriate permissions granted by IFAC, will wish to make the publication available to their constituents, free of charge or for a fee, in either electronic form or hard copy, as is or duly adapted to suit their own national requirements.

This proposal should be based on the provision of the specified product in English. The SMP Committee would be interested to learn whether suppliers have the capability of providing the Guide in other languages. Any commitment to provide the Guide in other languages would be subject to a separate contract and the requirements set out in IFAC's relevant policy statement.

**For supplying the publication with no residual rights, please quote the total cost for development.**



**International  
Federation  
of Accountants**

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