

**APPOINTMENT OF AN AUDITOR RESPONSIBLE FOR AUDITING THE  
ACCOUNTS OF CREDENDO – SHORT-TERM EU RISKS**

RFP Auditor Credendo – Short-Term EU risks úvěrová pojišťovna, a.s.

**PUBLIC TENDERING PROCESS<sup>1</sup>**

**CREDENDO – SHORT-TERM EU RISKS**

**Offers must be submitted by 26/07/2017 at 4pm**

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<sup>1</sup> Procedure not subject to the legislation on public procurement

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## SUMMARY

In accordance with the act Nr. 563/1991 Coll., Act on accounting and act Nr. 93/2009 Coll., Act on Auditors, Credendo has launched a public tendering process pursuant to Article 17(4)(a) of Regulation (EU) 537/2014 in order to ensure that there is external rotation of the auditor.

**Purpose:** appointment of an auditor responsible for auditing the accounts of Credendo – Short-Term EU Risks for 3 years as of the 2017 financial year.

Criteria: see point 1.1 “Eligibility criteria” and point 1.2 “Selection criteria” of this document.

Closing date for offers: 26/07/2017 at 4pm

Additional information:

- any questions may be sent by email to the following address: [info-ste-cz@credendo.com](mailto:info-ste-cz@credendo.com)

Please read all documents when preparing your offer.

## 1. GENERAL PROVISIONS

### 1.1 Eligibility criteria

The tenderer must prove (by means of CVs, brochures, certificates or other declarations) that it meets the following criteria:

- > being a member of the Chamber of Auditors for the Czech Republic;
- > having at least 3 auditors with permission issued by the Chamber of Auditors for the Czech republic;
- > having at least 10 individual staff auditors in Czech republic employed by the audit firm or associated with it as partners (individual company auditors who carry out professional activities for the audit firm) or otherwise;
- > carrying out at least 2 mandates in the insurance sector;
- > having audit experience in the credit insurance sector in Czech Republic;
- > demonstrating sufficient knowledge of Czech and English to carry out the audit mandate properly;
- > forming part of an international firm, having an integrated network of offices located, *inter alia*, in the Czech Republic, Poland and Slovakia, using streamlined audit procedures and having proven expertise in each country in fields such as IFRS standards and insurance;
- > possessing a team of IT auditors to analyse complex information systems.

### 1.2 Selection criteria

Credendo will select the offer which it believes to be the most beneficial on the basis of the following criteria:

Criteria	Explanation
Level of fees for the services	See point 1.4 "Price"
Number of hours provided	<p>Total number of hours to be devoted to the mandate by the auditor, weighted as follows:</p> <ul style="list-style-type: none"> <li>&gt; auditor (permanent representative): 1.0</li> <li>&gt; staff auditor: 0.8</li> <li>&gt; staff with &gt; 3 years' experience: 0.6</li> <li>&gt; staff with &lt; 3 years' experience: 0.4</li> </ul>
Quality of auditing	<p>General criterion used to determine the technical quality of the offer. The tenderer is asked to produce a document (maximum of 2 pages printed on both sides excluding annexes) briefly setting out:</p> <ul style="list-style-type: none"> <li>&gt; its understanding of the major challenges faced by the credit insurance sector</li> <li>&gt; its audit approach and in particular the fields and risks for which it considers an external audit to be appropriate</li> </ul> <p>Any other information enabling its offer to be</p>

	distinguished from the others on the basis of the quality of its auditing.
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### 1.3 Contact details

Award of this contract is coordinated by the “Finance” department. For as long as the procedure is ongoing, all contact between Credendo and the tenderers regarding this contract shall be undertaken exclusively via this department and tenderers are not permitted to contact Credendo, unless otherwise stipulated in this document.

Until 26/07/2017 inclusive, tenderers may ask questions in relation to this document. Questions may be sent by email to the address [info-ste-cz@credendo.com](mailto:info-ste-cz@credendo.com) and will be replied to by email as and when received.

All questions or requests must refer to a specific chapter or section and if possible to the page number of this document.

### 1.4 Price

All prices referred to in the offer must be denominated in CZK.

It is assumed that the tenderer has included all costs and taxes in its price except VAT. The price therefore covers the services in their entirety. It is expressed on an annual basis, for the 3-year period. It is therefore the total price per year, including all services referred to in the technical section of this document.

As regards VAT, the tenderer must refer separately in its tender to the applicable tax rate and the corresponding amount.

The offer shall give an indication of the hourly rate of the auditor, and of his or her staff. The offer shall also state, on the basis of the indicative hourly rate, the number of hours which the tenderer believes it will need to provide in order to fulfil the mandate, based on the following classification:

- > auditor (permanent representative): 1.0
- > staff auditor: 0.8
- > staff with > 3 years' experience: 0.6
- > staff with < 3 years' experience: 0.4

### 1.5 Submission of offers

The offer must be sent by 4 pm on 26/07/2017 at the latest.

The offer must be sent electronically as a PDF to the following email address:

[info-ste-cz@credendo.com](mailto:info-ste-cz@credendo.com)

## 2. TECHNICAL DESCRIPTION

### 2.1 Introduction to Credendo

Credendo is a trade credit insurance company that covers risks worldwide. It has a presence in Czech Republic, Poland and Slovakia, is active in the segments of short term credit insurance and surety business.

Credendo gives direct access to credit insurance solutions from tailor-made risk cover to easier access to trade financing.

- Whole turnover short-term credit insurance: providing flexible insurance policies with approved credit limits and a risk period of less than 2 years, worldwide, even in complex risk environments.
- Surety: providing bonds insurance.

### 2.2 Description of tasks

#### 2.2.1 Audit tasks

##### 2.2.1.1 Auditing the statutory annual accounts

The auditor will be responsible for performing the statutory tasks assigned to him or her pursuant to the act nr. 93/2009 Coll., Act on Auditors, International Standards of Auditing and the related application guidance of the Chamber of Auditors of the Czech.

These tasks involve in particular:

1. audit of the entries in the accounts and certification of their accuracy and truthfulness;
2. verification of the property and assets belonging to the organisation or which it uses or manages;
3. audit of the financial situation, of the accounts and of the regularity of the operations to be recorded therein.

Inspection of the accounts shall include in particular:

- audit of the regularity of the documents supporting the operations booked;
- verification of the correct allocation of these operations in accordance with the budget and the provisions governing the organisation's accounting;
- checking punctuality in relation to debt recovery and the discharge of liabilities;
- analysis and verification of the transposition into the accounts, *inter alia*:
  - a. of the premiums and other costs claimed from insured parties on the basis of a calculation model;
  - b. of the input of data relating to insurance policies;
  - c. of claim receivables;
  - d. of reductions in value on the basis of an econometric model;
  - e. of the system for setting up and calculating provisions;
  - f. of off-balance sheet liabilities (insurance pledges, amounts insured, etc.), the bases for setting up technical provisions;
  - g. of the securities portfolio (knowledge of derivative financial products);
  - h. of reinsurance accepted and ceded;
- an in-depth inspection of the annual accounts intended for publication;

- an inspection of the annual report of the Board of Directors;
- 4. providing interim audit;
- 5. at least once a year, when the annual accounts are drawn up, preparation of a detailed report on the asset and liability situation and on the operating result.

This report shall contain in particular:

- a description of the way in which the auditor has carried out his or her mandate. For these purposes, reference may be made to the application guidance of the Chamber of Auditors of the Czech republic;
- a summary of the auditor's findings following the audit work carried out; these findings will enable the auditor to conclude that he or she knows of no data or events which could result in significant changes to the periodic statement;
- any observations relating to the organisation's compliance with other legal and regulatory provisions;
- a brief analysis of the organisation's asset and liability situation and of the operating and management result as indicated in the accounts produced by the organisation.

This annual report will be provided to the organisation's Management Board and Supervisor Board. This will take place within the deadlines set at the time of preparation of the balance sheet, profit and loss account or annual statement of account.

The auditor shall send a copy of these various reports to the company's managing bodies.

The annual report shall be accompanied by a letter of comment indicating that the accounts, periodic statements and other accounting documents have been certified as accurate and consistent with the accounting entries;

- 6. a note of any irregularity or, in general, any situation likely to compromise the organisation's interests.

#### 2.2.1.2 *Other tasks*

- > Assessment and testing of administrative organisation and of the internal audit system;
- > Adopting a constructive approach and providing assistance and advice on accounting and financial issues within the framework of the task of certification of the accounts in accordance with the legislation in force;
- > Taking part in certain meetings, in particular the meeting of the Supervisory Board (which performs activities of Audit Committee).

#### 2.2.2 **Independence**

No provisions of this document may be interpreted or applied in such a way as to restrict the auditor's complete independence vis-à-vis Credendo.