



Implementation of an Internal Control System at the APO Secretariat

Scope of Work

Request for Proposals (RFP)

The purpose of this Request for Proposals (RFP) is to establish a contractual agreement with a qualified consultancy firm, team of experts, or individual consultant (hereinafter referred to as “the consultancy”) to support the design and implementation of a comprehensive internal control system within the Asian Productivity Organization (APO) Secretariat. This system aims to strengthen governance, enhance operational efficiency, ensure regulatory compliance, and mitigate organizational risks by introducing clear processes, controls, and accountability mechanisms across the Secretariat’s functions.

1. Background

The APO is a regional intergovernmental organization committed to enhancing productivity across its 21 member economies. The APO Secretariat, located in Tokyo and comprising approximately 50 staff members, develops and implement projects for member economies. The Secretariat’s internal operations consist of Human Resources, Information Systems, Accounting, General Affairs, Procurement, Monitoring and Evaluation of project-related activities, and Program Directorate to plan and execute projects.

Ongoing independent evaluation of the APO Secretariat’s Performance, Management, and Compliance by a third party during 2022–23, 2023–24, and 2024–26 identified critical gaps in the Secretariat’s risk management system. The implementation of an enhanced internal control system constitutes a key remediation action in response to those findings. To address the deficiencies identified, the Secretariat is committed to comprehensively strengthening internal controls by incorporating advanced risk management methodologies and aligning its practices with international standards and best practices.

Starting in 2025, the Secretariat plans to introduce a pilot internal control system with the support of consultancy and prepare for the full implementation of the system in 2026.

2. Objectives

The consultancy will support the APO Secretariat to:

- Strengthen risk management through advanced methodologies and technologies.
- Enhance compliance mechanisms, ensuring alignment with international regulatory standards.
- Improve operational efficiency by streamlining internal processes and eliminating redundancies.
- Align internal controls to support organizational strategic objectives effectively.
- Increase transparency, efficiency, and effectiveness within the governance framework.

3. Scope of Services

The consultancy services shall include but not be limited to:

- Identifying key controls.
- Conducting training to educate APO staff members on internal control requirements.
- Conducting walkthroughs to assess design effectiveness of the identified key controls and drafting detailed narratives.
- Conducting testing to assess the operational effectiveness of key controls.
- Providing recommended remediation plans for identified gaps.
- Performing remediation tests for any identified control deficiencies.
- Providing a list of internal control deficiencies upon completion of the assessment.

Year 1 (2025): Planning and Pilot Implementation

- Conduct a comprehensive review and gap analysis of existing and newly introduced controls, with a focus on the five high-risk areas identified previously. This analysis will consider the effectiveness and efficiency of controls in relation to the organization’s size and available resources.
- Design pilot internal control projects targeting the most critical risk areas.
- Implement the pilot projects.

- Evaluate the pilot controls through effectiveness assessments and stakeholder feedback and refine them as necessary.

Year 2 (2026): Full-scale Implementation

- Expand and systematically integrate the enhanced internal controls across all relevant functions the Secretariat.
- Provide ongoing expert advice to address unforeseen issues during implementation.
- Develop and deliver comprehensive internal control training for managers and staff at all levels.
- Establish continuous monitoring mechanisms to assess the effectiveness of control measures and sustainability of measures.
- Provide regular updates and reports to the Governing Body and other stakeholders on internal control progress and effectiveness.
- Conduct biannual reviews for continuous improvement and adaptation to emerging risks and requirements.

4. Deliverables

- Internal control requirement training materials.
- Risk control matrix, with optional supplementary documents such as narratives and flow charts.
- Testing work papers and a list of supporting evidence.
- List of internal control deficiencies including remediation recommendations and action plans.
- Detailed gap analysis reports of the current internal control environment (for year 1 and year 2, respectively).
- Pilot internal control project designs and implementation reports.
- Comprehensive training program and materials for internal controls.
- Continuous monitoring framework and periodic progress reports.
- Final report with recommendations and roadmap for sustainable ongoing improvements.

5. Timeline

The engagement will cover 18 months, beginning in July 2025, with the possibility of extending into a third year, subject to Secretariat requirements and approval.

6. Resource Requirements

The selected consultancy may be either an individual expert or an institutional entity, provided that they demonstrate the relevant skills, knowledge, and solid experience required for this engagement. The selected consultancy must demonstrate:

- Expertise in designing and implementing internal control systems within international, intergovernmental organizations.
- Proven experience in risk management frameworks, compliance alignment, and operational efficiency improvement.
- Familiarity with international standards, such as ISO 9001 and ISO 31000, and professional internal auditing standards.
- Preferably prior experience in supporting the implementation of internal control systems in public-sector entities, particularly regional international organizations.
- The official language of the APO is English. However, given the Secretariat's location in Japan, certain documentation and communications are also written/conducted in Japanese. Accordingly, fluency in English is mandatory, while proficiency in Japanese is regarded as a significant valuable asset.

7. Reporting and Coordination

The consultancy will report directly to the Executive Support Officer, Executive Support Unit, Executive Office, and coordinate closely with relevant internal stakeholders for effective implementation.

8. Evaluation and Approval

Progress reports and final deliverables will require the approval of Secretariat management, with interim updates provided to the Governing Body as scheduled.

9. Submission Guidelines

Interested consultancy candidates should submit proposals that include:

- Executive summary, signed by an authorized representative, confirming interest and acceptance of

- RFP terms.
- Technical proposal:
 - Overview of understanding of the assignment
 - Methodology and approach
 - Detailed work plan with timeline and deliverables
 - Risk assessment and mitigation strategy.
- Financial proposal:
 - Detailed breakdown of all fees and costs (daily rates, taxes, expenses, etc.)
 - Currency to be specified (in USD or JPY)
 - Payment schedule aligned with milestones.
- Company/consultant profile:
 - Summary of relevant experience
 - Similar past assignments
 - Organizational capacity (for firms).
- CVs of proposed experts, highlighting relevant qualifications and experience in internal control systems and governance reform.
- Language: All proposal documents must be submitted in English.

10. Evaluation Criteria

Proposals will be evaluated based on:

- Relevant experience and expertise.
- Technical approach and methodology.
- Work plan and timeline.
- Financial proposal.
- Team qualifications.
- References and past performance.

11. Disclaimers

- The APO will not pay any costs related to preparing or submitting proposals.
- The APO is not required to award a contract from this RFP and may reject any or all proposals.
- This RFP does not create a contract or any obligation between the APO and applicants.
- The APO may cancel, change, or postpone this RFP at any time without notice or compensation.
- The APO may work with other consultants even after selecting a proposal.
- Any final work created under the contract will belong to the APO.
- The APO may contact applicants to clarify or ask questions about their proposals.

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