

CALL FOR EXPRESSION OF INTERESTS

RECRUITMENT OF A FIRM TO CONDUCT AN AUDIT OF CORAF'S FINANCIAL STATEMENTS FISCAL YEARS 2020, 2021 and 2022

Opening Date: 22/10/2020

Closing Date: 29/10/2020

CEI N° 15-2020 - RELAUNCH 1

1. The Executive Secretariat of the West and Central African Council for Agricultural Research and Development (CORAF) is looking for a firm to conduct an audit of CORAF's financial statements for the fiscal years 2020, 2021 and 2022.
2. CORAF intends to use part of its resources to make payments pertaining to the contract relating to the recruitment of a firm to conduct an audit of CORAF's financial statements for fiscal years 2020, 2021 and 2022.

The expected missions and objectives of the firm are as follows:

- a) Evaluate and obtain a sufficient level of understanding of the internal control system of CORAF's Executive Secretariat, assess the risks related to internal control and identify the facts to report;
 - b) Present a professional opinion on the financial statements of CORAF's Executive Secretariat to determine whether they present, in a sincere and regular manner, the faithful image of the Institution's assets and ensure that the resources made available are used for the purposes for which they were granted in order to achieve the development objective;
 - c) Carry out controls to determine whether CORAF's Executive Secretariat has complied with the contractual provisions and with the laws and regulations that currently exist in Senegal.
3. The Executive Director of CORAF is therefore, inviting Firms specializing in auditing financial statements to express their interest in providing the services described above.
 4. Consultancy Firms interested in this notice must provide information indicating that they are qualified to perform the above mentioned services (brochures, references of performance of similar contracts, CV, experience in a similar field, experience in similar conditions, etc..).

5. The 4. Consultancy firm must have experience in auditing the financial statements of multi-donor programs. It must have at least the following key personnel:
- A Head of Mission, Certified Chartered Accountant, with a Masters' Degree in accounting, economics or social sciences or equivalent, registered with a recognized professional accounting order and having significant experience of at least 10 years at least in analysis and verification of accounts and solid expertise in auditing multi-donor projects;
 - A Deputy Head of Mission, Certified Chartered Accountant, with a Masters' Degree in Auditing, Economics or equivalent, proving at least 8 years of experience in the analysis and verification of accounts and project auditing;
 - A Senior Auditor with a Masters' Degree in auditing or social sciences or equivalent and with at least 7 years of experience in auditing multi-donor projects (World Bank, USAID, European Union, etc.);
 - A Procurement Specialist, with a Masters' Degree in law, management, economics or having at least 3 years of relevant experience in auditing the procurement of multi-donor projects (World Bank, European Union, USAID, etc.).

Expressions of interest must include the CVs of the above key personnel.

The firm will be selected according to the rules contained in the CORAF Administrative, Financial and Accounting Procedures Manual.

The selection method to be used will be based on the Consultant's qualification (CQS): (At the end of the expressions of interest, the most qualified and experienced consultant will be selected and invited to submit a technical and financial proposal. Then, if the proposal is compliant and acceptable, the Consultant will be invited to negotiate the contract).).

6. Interested firms that meet the required conditions can obtain further information by sending an email to the address hereafter procurement@coraf.org.
7. Expressions of interest should be submitted by e-mail to the address hereafter: procurement@coraf.org on **October 29, 2020 at 11h00 GMT** at the latest.

Dr. Abdou TENKOUANO
Executive Director
CORAF

TERMS OF REFERENCES

AUDIT OF THE FINANCIAL STATEMENTS OF CORAF'S EXECUTIVE SECRETARIAT FISCAL YEARS 2020, 2021 and 2022

1. BACKGROUND

CORAF is a sub-regional organization created on March 15, 1987. It currently brings together the National Agricultural Research Systems of 23 countries in West and Central Africa.

Its mandate is to implement the regional agricultural research policy defined by the political authorities of West and Central Africa.

CORAF's strategy, vision, mission and specific objective are articulated in the statements below:

Vision - Sustainable reduction of poverty and food insecurity in WCA through increased economic growth driven by agriculture and sustainable improvement of key aspects of the agricultural research system.

Mission - Sustainable improvements in productivity, competitiveness, and agricultural markets in West and Central Africa by meeting the main demands addressed to the research system of the sub-region by the target groups.

Specific objective - Sustainable growth in productivity, competitiveness and agricultural markets, induced by the involvement of all stakeholders is improved in West and Central Africa.

CORAF's role is to:

- Promote cooperation, consultation, exchange of information between member institutions, on the one hand, and partners, on the other;
- Define identical research objectives and priorities at the sub-regional and regional levels;
- Serve as a consultation body for any research carried out by sub-regional, regional or international organizations working in the sub-region;
- Develop joint research programs to strengthen the complementarity of its activities and those of its partners.

CORAF receives funds from member countries and its financial partners for the implementation of its activities. These funds are managed at the CORAF Executive Secretariat.

For the sake of transparency in the management of funds, CORAF is looking for an International Audit Firm to carry out the audit mission.

2. OBJECTIVES OF THE AUDIT

The purpose of these terms of reference is to select an International Audit Firm responsible for carrying out the **consolidated financial audit mission of all the resources provided by Donors and Member States** and for certifying the financial statements of CORAF's Executive Secretariat.

Specifically, the mission aims at:

- d) Assessing and obtain a sufficient level of understanding of the internal control system of CORAF Executive Secretariat, assess the risks associated with internal control and identify the facts to report;
- e) Presenting a professional opinion on the financial statements of CORAF's Executive Secretariat to determine whether they present, in a sincere and regular manner, the faithful image of the Institution's assets and ensure that the resources made available are used for the purposes for which they were granted in order to achieve the development
- f) Carrying out controls to determine whether CORAF's Executive Secretariat has complied with the contractual provisions and with the laws and regulations that currently exist in Senegal.
- g) Determine whether CORAF has taken the appropriate corrective measures following the recommendations made in the reports of previous audits.

3. RESPONSIBILITY OF BOTH PARTIES

CORAF is responsible for preparing Financial Statements in accordance with the current principles of the Accounting System in the OHADA region (Organization for the Harmonization of Business Law in Africa) and for maintaining an adequate internal control system as well as acceptable documentation of transactions.

The auditor is responsible for expressing an opinion on the financial statements based on the International Standards on Auditing-ISA issued by the International Federation of Accountants (IFAC). In application of these auditing standards, the auditor will request a letter of confirmation committing the responsibility of the managers in the preparation of the financial statements and the maintenance of an adequate control system.

The opinion will focus on:

- a) The faithful and sincere image of the property status as well as of the operations of the of CORAF's Executive Secretariat for the period audited;
- b) Financial statements for the audited period;
- c) Internal control for the audited period. CORAF's internal control structure relating to program activities should be reviewed and assessed by auditors to have a sufficient understanding of the design of relevant internal control policies and procedures and to ensure that these policies and procedures are functional.

The main internal controls to be studied and evaluated are among others:

- Each revenue line and expense account
- Each income or expense, asset and liability account in general purpose financial statements.

For USAID funds, auditors should complete the steps outlined in Section 4.2, 4.5, 4.16 and 4.17 of the USAID Guidelines for Financial Audits Contracted by Foreign Recipients.

- d) Compliance with the current conventions and laws and regulations for the audited period;
- e) A certificate for the financial audit of programs funded by the World Bank or through the multi-donor trust fund currently managed by the World Bank;
- f) A certificate for operations funded by USAID.
- g) A certificate for operations funded by the European Union.

4. SCOPE OF THE AUDIT

The audit will be carried out in accordance with the International Standards of Auditing (ISA) issued by IFAC and will lead to all the controls and verifications that the Auditor may deem necessary according to the state of the accounting documents.

The assessment will include all tests, confirmations, physical observations and verifications, deemed necessary by the Auditor and will cover, among others, the following main tasks: :

- Ensure that expenditures have been executed in accordance with donor procedures and correspond to approved budget items and remain within the limits of the available budget allocation;
- Review the conduct and transparency of the entire procurement process, and ensure that the procurements of financed goods and services have been procured in accordance with the provisions of the applicable funding agreements and have been properly recorded in accounting books;
- Ensure the authenticity and regularity of expenditure as well as the acquired services, goods or work. The Auditor will verify that the supplies and equipment have been delivered in accordance with the quantities and standards set in the purchase order or contract and amendment, and verify the proof of receipt if applicable;
- Perform physical inspections of the procurement of goods and services and of works (service done) to ensure the effectiveness and quality of execution;
- Check the compliance of the terms and conditions of payment with those set in the contracts;
- Check that the internal control procedures ensure an adequate level of prevention and detection of errors, irregularities and fraud; **where illegal acts have occurred or are**

likely to have occurred. If there is evidence of such a situation with respect to donor funds, auditors should contact the representative of the donor agency for further guidance. If evidence is discovered regarding USAID funds, auditors should contact the USAID Regional Inspector -RIG / DAKAR;

- Check whether the accounting entries are in compliance with SYSCOHADA standards and assess their consistency and likelihood;
- Check whether all expenses have convincing supporting documents and assess the financial, accounting and organizational risks;
- Carry out visits to a sample of beneficiary countries of competitive or commissioned projects to verify the fiduciary management system and financial reports.

The Auditor should propose a participatory methodology which will involve the main actors of CORAF in the execution of the mission. The External Auditor will also work in close collaboration with the Internal Auditor.

The Auditor will submit a timetable for carrying out the work of the mission including the edition of a draft version of the audit report.

In accordance with IFAC standards, the auditor should pay particular attention to the following points:

- a) ***Fraud and Corruption*** : In accordance with ISA 240 Standard (**The taking into account of risk of fraud and error during the audit of accounts**), the auditor shall identify and assess the risks of fraud, obtain or provide sufficient audit evidence of analysis of these risks and deal appropriately with identified or suspected fraud.
- b) ***Laws and Regulations*** : In developing the audit approach and performing the audit procedures, the auditor should assess compliance with laws and regulations that could significantly affect the financial statements as required by ISA 250 Standard (**Consideration of risk of abnormalities in the accounts resulting from non-compliance with legal and regulatory texts**)
- c) ***Governance***: Communication with those in charge of the governance of significant audit points in accordance with ISA 260 (Communication on the mission with those charged of Governance).
- d) ***Risks***: With the objective of reducing audit risks to a relatively low level, the auditor will implement appropriate audit procedures in response to the risks of misstatement identified as a result of their assessment. This in accordance with **ISA 330 (The auditor's responses to assessed risks)**.

5. CORAF FINANCIAL STATEMENTS

CORAF's financial statements must include:

- A supply and use table (TAFIRE) by donors;

- A review,
- An income statement,
- Annexed statements,
- The list of fixed assets acquired or purchased by the funds,
- A summary of the expenses incurred during the year, these being presented by major headings and by major categories.

6. FINANCIAL REPORTS

In addition to CORAF Financial Statements, the auditor is requested to verify all interim financial reports prepared by CORAF for the World Bank and other donors.

The auditor will have to comply with the tests and audit procedures required for the given situation. A chronogram indicating the interim financial reports by donor and by date, will be attached to CORAF's financial statements.

7. DESIGNATED ACCOUNTS (DA)

In connection with the audit of the financial statements of CORAF, the auditor should carry out a review of the activities of the designated accounts of the Institution. The designated account usually includes:

- advances received from the World Bank and other donors (USAID, EU etc.);
- replenishments justified by withdrawal requests;
- the interest on the accounts which is entitled to the Institution;
- Withdrawals related to the Institution's expenses.

The auditor should pay particular attention to compliance with donor procedures and the balance of accounts designated at the end of the fiscal year (or period). The auditor shall study the eligibility of financial transactions during the period covered and the funding balances at the end of such period, the operation and use of designated accounts in accordance with the general conditions required and adequate funding agreements, letters of disbursement, and the compliance of internal controls for this type of disbursement mechanism.

Regarding projects, the designated accounts are mentioned in the general conditions, funding agreements and disbursement letters.

The auditor must also ensure the eligibility and accuracy of the following elements:

- Financial transactions over the period covered;
- The balances of the accounts for the same period;
- The operation and use of the designated accounts in accordance with the funding agreement;
- Compliance of internal controls for the type of disbursement mechanism.

8. THE AUDIT REPORT

The audit report will include, among others:

- The applied auditing standards;
- A summary of the main results of the audit (observations and recommendations);
- The follow-up to the recommendations of the previous audit;
- An opinion on the financial statements for the period covered, as to whether these statements fairly and regularly reflect the image of the Institution's assets;
- An assessment of the Institution's internal control system in:
 - determining control risks;
 - identifying situations that deserve to be reported;
 - making recommendations to improve the financial management and internal control system in order to ensure strict and reliable methods while minimizing red tape.
- Compliance with conventions and applicable laws and regulations;
- A certificate for the financial audit of programs funded by the World Bank.

In the event of a favourable opinion, the financial statements, the statements of assets and equipment as well as the statements of expenditure, must be certified by the auditor.

The audit report must contain recommendations aimed at strengthening management in all or part of the areas covered by the audit or in other areas.

The provisional audit report and the related reports must reach CORAF Executive Secretariat no later than fifteen (15) days after the end of the field mission which will begin in the first **week of April of each year.**

The provisional report will be subject to restitution in working sessions bringing together the Auditor and the heads of CORAF's Executive Secretariat involved in administrative, accounting and financial management.

The final report will take into account the observations and amendments made to the provisional report.

The Auditor will present the final report to the Directors of CORAF during the Board of Directors' session examining the annual accounts.

The final audit report will be presented in two languages French and English in ten (10) copies (5 copies in each language) and also in electronic format **no later than April 30 of each year.**

In addition to the final report, a specific audit report may be provided by the auditor at the request of CORAF to meet the need for a technical and financial partner under the same conditions above.

9. LETTER TO MANAGEMENT

Along with the opinion report, the auditor will submit a "*Letter to Management*" in which they will:

- Present their comments and observations on accounting records, systems and controls in addition to their assessment of internal control;
- Identify the specific deficiencies detected during the audit and present recommendations for their improvement;
- Identify issues that came to their attention during the audit because they could have a significant effect on program delivery;
- Indicate any factors found that could influence future audits. As well as any other material deemed relevant by the auditor.

The auditor should present responses to management concerns or incorporate them into the audit report.

10. AVAILABILITY OF INFORMATION

CORAF undertakes to facilitate access to all legal, administrative, accounting and financial documents as well as exchanges of correspondence and other elements of information deemed necessary for acquaintance with CORAF and its environment.

11. SPECIAL CONDITION

In accordance with the arrangements made by CORAF's Board of Directors, the Audit and Finance Committee of the Board of Directors is the direct intermediary of the External Auditor. To this end, mission letters relating to external audits are submitted to the Audit and Finance Committee for its observations and suggestions. In addition, the report and recommendations from the External Audit should also be discussed with this Audit and Finance Committee and with the Executive Secretariat before finalization and presentation to the Board of Directors. (See 15th Ordinary session of CORAF Board of Directors / Minutes of the Audit & Finance Committee).

12. GENERAL CONDITIONS

a) Consultant Profile

The audit firm must be an internationally renowned firm with experience in similar assignments and a good knowledge of the OHADA Accounting System (SYSCOHADA). The Auditor must also demonstrate a good ability to audit the financial statements of an Institution managing several development programs, have a good knowledge of the procedures generally accepted by conventional donors (World Bank, African Bank of Development, USAID, Swiss Cooperation, the European Commission, IFAD, CRDI, etc.).

The team responsible for this audit will be headed by a Certified Chartered Accountant registered with a recognized professional accounting order and will include a Certified Accountant (Audit Manager) registered with a recognized professional accounting order, a

Procurement Specialist and Senior Auditors with significant experience in auditing and analysing of accounts.

The other members of the team must have the following credentials:

- At least seven years of experience in a firm;
- Solid expertise in project auditing;
- Experience specific to the mandate.

The firm should present the team proposed for the assignment. Particular attention will be paid to the skills of the team and those of its Manager. The persons proposed should have real experience of working in the field of auditing financial statements and financial audit of development programs in Africa.

The firm will guarantee that the proposed persons will be available during the period of the mission.

The description of the profile of each member of the team must be validated by CORAF.

13. Consultant selection procedures

The firm will be selected according to the rules contained in CORAF's Administrative, Financial and Accounting Procedures Manual.