

## **CALL FOR EXPRESSION OF INTEREST**

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### **RECRUITMENT OF A FIRM FOR AUDIT OF IFAD RESOURCES**

### **MANAGED BY CORAF EXECUTIVE SECRETARIAT**

### **Fiscal Years 2020, 2021 and 2022**

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**Opening Date: September 17, 2020**

**Closing Date: October 1, 2020**

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**CEI No. 14-2020**

1. For the implementation of its activities, CORAF receives funds from multi donors included IFAD. These funds are managed by the CORAF Executive Secretariat.
2. For the sake of transparency in the management of IFAD funds, CORAF is seeking an International Audit Firm to carry out the audit assignment.
3. The Executive Director of CORAF invites firms with the profile sought as indicated in the terms of references to express their interest in this appeal.
4. Firms should provide a record of expression of interest consisting of: references concerning the performance and experience of similar services, and the updated CV for key staff as well as any information concerning its organization.
5. The audit firm must be a firm of international reputation with experience of similar missions and a good command of the OHADA Accounting System (SYSCOHADA). In addition, the auditor must provide a good ability to audit the financial statements of an institution managing several development programs, have a good knowledge of IFAD procedures.
6. The team responsible for this audit will be led by a Certified Public Accountant registered with a recognized professional accounting body and will include a Head of Mission (Auditor

Manager) Certified International Public Accountant Standards registered with a recognized accounting professional, a Procurement Specialist and Senior Auditor with significant experience in auditing and analyzing accounts. The resume of key staff should be attached to the expression of interest.

7. The firm will be selected according to the selection method based on qualifications of consultant in accordance with the CORAF Administrative and Financial procedures Manual.
8. Interested firm may obtain additional information from CORAF Executive Secretariat by sending correspondence **procurement@coraf.org**.
9. Expressions of interest must be submitted by e-mail to **procurement@coraf.org**, on **October 1, 2020 at 11:00 GMT at the latest**.

**Dr Abdou TENKOUANO**  
**CORAF Executive Director**

## **Audit Terms of References (TOR) IFAD-EU Funded Project**

### **1. Background**

The Conseil Ouest et Centre Africain pour la Recherche et le Développement Agricoles (CORAF) (the Recipient), is an independent, non-profit organization focusing on the sustainable economic development in developing countries. The Recipient in partnership with governments, civil society and the private sector to develop scalable economic development solutions that have a real impact on poverty reduction, food security and ecosystem health. Headquartered in Dakar, Senegal, with regional offices across the globe.

The Recipient entered into grant agreement no. Grant Number: 2000002989 with the International Fund for Agricultural Development (IFAD) to provide financial support of 5 770 000 EURO to implement CORAF-Comprehensive Africa Agriculture Development Programme CAADP ex-pillar IV Africa Regional and Sub-regional Organizations for Agricultural Research and Innovation Project. The grant is funded under the European Union (EU), represented by the European Commission's contribution agreement no. FOOD/2019/407-682 under which IFAD receive a contribution to finance the Project, which forms part of the overall Programme described in the Annex 1 of the contribution agreement.

The Recipient hereby requests a financial audit on the Statement of Expenditures (SoE) and agreed-upon procedures engagement of the project for the reporting period of March 1<sup>st</sup>, 2019 to March 31<sup>st</sup>, 2024. The Recipient will reported the estimated total cumulative expenditures of 5 770 000 EURO during the reporting period.

In performing the engagements, the auditors should familiarize themselves with:

- IFAD Handbook on Financial Reporting and Auditing
- Financial and Administrative Framework Agreement ("FAFA") entered into between European Community and the United Nations on 29 April 2003, and to which IFAD acceded on 27 September 2004, as last amended on 1 January 2019
- Schedule 4 of the grant agreement – project eligible expenditures
- List of required supporting documents as listed at [www.ifad.org/grantforms](http://www.ifad.org/grantforms)

### **2. Objectives and Standards**

**2.1. Financial audit on the SOE:** the objective of the audit is to enable the auditor to express an audit opinion(s) on whether the SoE (including additional disclosures) present fairly, in all material respects, the financial position of the project, and on funds received and expenditures incurred for the relevant accounting period in conformity with the *Système Comptable de l'Organisation pour l'harmonisation en Afrique du droit des affaires (SYSCOHADA)*. The auditor shall conduct this audit in accordance with the International Accounting Standards. The audit report will outline the audit opinion on the SoE in accordance with ISA 700<sup>1</sup>/705.

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<sup>1</sup> ISA 700 (Forming an Opinion and Reporting on Financial Statements) provide illustrative audit reports

**2.2. Agreed-upon procedures engagement:** The auditor shall undertake this engagement in accordance with the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants (IFAC). the auditor is expected:

- To carry out the agreed-upon procedures listed in the Section 3 of this TOR – Scope and approach of the audit and agreed-upon procedures engagement
- To issue report on factual findings that will support IFAD's conclusions on the eligibility of the reported expenditure

The auditor shall comply with the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behavior and technical standards.

### **3. Scope of the audit and list of agreed-upon procedures**

#### **3.1. Grant agreement and Statement of Expenditure (SoE) covered by this TOR.**

The grant agreement and the Statement of Expenditure (SoE) subject to the audit and agreed-upon procedures engagement are indicated in the section 1 of this TOR – background.

#### **3.2. List of agreed-upon procedures covered by this TOR.**

The following checks must be performed by the auditor in relation to the eligibility criteria applicable to the grant agreement. Therefore the auditor is required to gain appropriate understanding of such requirements in order to carry out only the relevant checks and properly apply the relevant eligibility requirements.

- a) The Statement of Expenditure (SoE) for the reporting period as submitted to IFAD comprises the project information (name of the recipient, grant number, currency of the grant agreement, name of the project and reporting period) as well as whether the presentation of the expenditures is per expenditure category and/or project component as set out in the Schedule 2 of the grant agreement.
- b) The total of the expenditure transaction lists for the reporting period agrees with the total cumulative expenditures for the same period as described in the SoE submitted to IFAD.
- c) The reported expenditure meet with the the project eligibility criteria as described in the Schedule 4 of the grant agreement and other eligibility requirements including but not limited to the correct exchange rates are used where applicable; duties, taxes and charges included in the financial report cannot be recovered by the Recipient, and expenditure specifically considered ineligible by the Schedule 4 of the grant agreement is not included in the SoE.
- d) The expenditure is recorded in the accounting system of the Recipient or of the Sub-Recipients (Third Parties with Subsidiary Agreements such as Implementing Partners, sub-recipients, service providers, etc.) in accordance with the applicable accounting standards and the Recipient's usual cost accounting practices.
- e) The expenditure is backed up by sufficient and effective supporting documentation listed at [www.ifad.org/grantforms](http://www.ifad.org/grantforms), which shall be constantly available and stored in accordance with paragraph 3.11 of the Schedule 3 of the Grant Agreement.
- f) Select a sample of a maximum of 40 transactions from the Recipient's expenditure transaction listing. This sample shall represent up to 20% of reported expenditure (Sampled

transactions will be sorted by amounts and added up starting with the lowest amount. The transaction that brings the total above 20% shall be accepted.). Where the transaction listing includes transactions with Sub-Recipients (liquidations of advance payments, direct payments, reimbursements), the auditor can select a maximum of 5 expenditure items per implementing partner with an overall maximum of 20 expenditure items across all Sub-Recipients.

If additional checks are needed, describe the additional checks not included in the above standard list of agreed-upon procedures.

## **4. Requirements for the Auditor**

### **4.1. General Principles**

By agreeing these ToR, the auditor confirms meeting at least one of the following conditions:

- The auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
- The auditor is a member of a national accounting or auditing body or institution. Although this organization is not member of the IFAC, the auditor commits to undertake the engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The auditor is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state) .
- The auditor is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

### **4.2. Qualifications, Experience, and Team Composition**

#### **4.2.1. Qualification and Experience**

The auditor will employ staff with appropriate professional qualifications and suitable experience with IFAC standards and with experience in verifying financial information of entities comparable in size and complexity to the Recipient. In addition, the audit team as whole should have:

- Experience with programme and projects related to donor funded project by national and/or international donors and institutions. It is desirable that the team leader and, where applicable, the fieldwork team, i.e. either the audit manager (category 2) or the senior auditor (category 3) has experience with audits of EU funded programme
- Experience with audits in OHADA's counties, Senegal]
- Experience with audits of NGO
- Sufficient knowledge of relevant laws, regulations and rules in the country concerned. This includes but is not limited to taxation, social security and labor regulations, accounting and reporting.
- Fluency in French and English
- A good knowledge of TOM<sup>2</sup>PRO

#### **4.2.2. Team composition**

The team of auditors required for this engagement will be composed of a category 1 auditor who has the ultimate responsibility for the expenditure verification and a team which is composed of an appropriate mix of category 2 – 4 auditors.

#### **4.2.3. Categories of staff/experts**

##### **Category 1 – (Audit Partner)**

A Category 1 expert (audit partner) should be a partner or another person in a position similar to that of a partner and be a highly qualified expert with relevant professional qualifications who assumes or has assumed senior and managerial responsibilities in public audit practice. He/she should be a member of a national or international accounting or auditing body or institution. He/she must have at least 12 years of professional experience as a professional auditor or accountant in public audit practice. The audit partner will be the person who will be responsible for the specific contract and its performance as well as for the report that is issued on behalf of the firm. He/she has the appropriate authority from a professional, legal or regulatory body and is authorized to certify accounts by the laws of the country in which the audit firm is registered.

##### **Category 2 – (e.g. Audit Manager)**

Audit managers should be qualified experts with a relevant university degree or professional qualification. They should have at least 6 years of experience as a professional auditor or accountant in public audit practice including relevant managerial experience of leading audit teams. He/she should be a member of a national or international accounting or auditing body or institution.

##### **Category 3 – (e.g. Senior Auditor)**

Senior auditors should be qualified experts with a relevant university degree or professional qualification and at least 3 years professional experience as a professional auditor or accountant in public audit practice.

##### **Category 4 – (e.g. Assistant Auditor)**

Assistant auditors should have a relevant university degree and at least 6 months professional experience in public audit practice.

#### **4.2.4. Curriculum Vitae (CVs)**

The auditor will provide the Recipient with CVs of the staff/experts involved in the engagement. The CVs will include appropriate details for the purpose of the evaluation of the offer on the relevant specific experience for this engagement and the qualifying work carried out in the past.

### **5. Reporting**

The auditor is required to deliver an audit package that includes:

- a) The audited SoE, including the expenditure transaction lists and additional disclosures;
- b) An audit opinion on the SoE, within the scope as outlined in Section 3 of this TOR;
- c) A report on factual findings, within the scope of agreed-upon procedures as outlined in Section 3 of this TOR. The report on factual findings shall at least include:
  - Background information of the project subject to engagement

- Overview on transaction population and sample
- Short descriptions of the testing process
- Summary of findings
- Detail findings including auditor's recommendations. **Any ineligible expenditure identified should be clearly mentioned**
- Include responses of the project management to the identified issues, and its proposal to address the issues identified within a specific time period
- Where applicable, follow up on the issues identified in the previous year's report on factual findings
- List names of the audit team

The audit report should provide sufficient detail as to the nature and extent of the procedures performed by the auditor. The auditor is required to provide the audit package by no later than June 15<sup>th</sup> Y+1. Reports are to be delivered in English and French version in electronic form.

## 6. Public disclosure

IFAD promotes public disclosure of project financial information to enhance the level of transparency and accountability. IFAD will disclose project audit reports, as appropriate, in line with the Fund's disclosure policy. Management Letters issued by auditors are not subject to public disclosure by IFAD. In agreeing to the terms of reference, the auditor explicitly acknowledges IFAD's right to publicly disclose audit reports (audited financial statements and audit opinion) and will issue reports without a limitation of use clause.

To facilitate the public disclosure process, the auditor is requested to submit two separate files as follows:

- Audited financial statements and audit opinion on SoE; and
- Report on factual findings.

## 7. Appendices

Appendix 1: Grant agreement including schedule 1, 2, 3 and 4

Appendix 2: IFAD Handbook on Financial Reporting and Auditing

Appendix 3: Financial and Administrative Framework Agreement ("FAFA") entered into between European Community and the United Nations on 29 April 2003, and to which IFAD acceded on 27 September 2004, as last amended on 1 January 2019

Appendix 4: List of required supporting documents as listed at [www.ifad.org/grantforms](http://www.ifad.org/grantforms)