ECOWAS COMMISSION
COMMISSION DE LA CEDEAO
COMISSÃO DA CEDEAO

TERMS OF REFERENCE FOR THE ENGAGEMENT OF A FIRM FOR THE PROVISION OF RISK-BASED ASSURANCE SERVICES ON THE WORLD BANK-FUNDED PROJECTS AT THE ECOWAS COMMISSION

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1. Introduction

The Economic Community of West African States (ECOWAS) is a regional group of twelve countries with a mission to promote economic integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial integration, social and cultural matters.

The Commission as one of the Institutions of the ECOWAS, finances some of its integration and intervention programmes through the support from its development partners in the various sectors – energy & mines, peace & security, humanitarian & disasters, education and culture among others. The development partners include the World Bank, African Development Bank, European Union, Danish Royal Embassy, Bill and Melinda Gates Foundation, Chinese Government, Spanish Cooperation, Swedish Government, etc.

Currently, the World Bank is one of the major partners providing funding to the ECOWAS Commission under the following projects/grants:

i. Regional Off-Grid Electricity Project (ROGEAP)
ii. Regional Electricity Access Project (REAP)
iii. Battery Energy Storage Technology Project (BEST)
iv. Harmonizing Statistics in West Africa (HISWA)
v. West Africa Unique Identification for Regional Integration and Inclusion (WURI)
vi. Harmonizing Statistics in West and Central Africa (HISWACA)
vii. Western Africa Regional Digital Integration Program (WARDIP)

As part of the fiduciary requirements on the part of the ECOWAS Commission to improve financial management in order to enhance partnership and accountability, the ECOWAS Commission through the Directorate of Financial Reporting and Grants intends to procure the services of a qualified firm to perform Assurance Services in accordance with the compliance requirements on the Financing Agreements signed with the World Bank and the ECOWAS Commission's internal rules, policies and procedures, and in line with the implementation of the projects.

This service is different from the yearly project external audit.

Consequently, this Terms of Reference (TOR) is prepared to serve as guide and the basis for the engagement of a firm to conduct on a quarterly and a semi-annual basis a Risk-Based Internal Audit

of the projects until the final closure and procedures agreed upon detailing factual findings on all the tasks/activities expected to be covered.

2. Objectives of the Engagement

The objectives of the agreed upon procedures (AUP) are as follows:

i. To conduct Risk-Based Assurance Services on all World Bank projects and issued an opinion for same, using the World Bank prescribed templates and guidelines

ii. Deliver a comprehensive Risk-Based Audit Report on a quarterly and semi-annual basis using the prescribed templates and guidelines for projects funded by World Bank

iii. World Bank fundings have been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the fundings were provided.

iv. Goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Policies and Procedures.

v. Training/workshops/study tour expenditures, where incurred, have been in compliance with the established policy and there is value for money.

vi. All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting.

vii. Designated Accounts (if used) have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;

viii. Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement.

ix. Ineligible expenditures included in withdrawal applications are identified and reimbursed to the Designated Accounts.

x. Tracked movements in cashbooks and sub-accounts and agreed same with the summary of accounts for the requirements on expenditure rates

In specific terms, reports on the procedures agreed upon will cover the following:

a) Financing Agreements
b) Grant Agreement
c) Procurement Reports and Plans
d) Monitoring Reports and Plans
e) Mid-Term Review Reports
f) Detailed Risk Assessment Plan where applicable
g) Budgeting
h) Accounting
i) Procurement activities
j) Internal control
k) Recommendations

l) Effectiveness of Management Oversight (Including Management Implementation of recommendations
m) Funds flow
n) Financial reporting
o) External audit
p) Disbursement And Submission of Withdrawal Application (WA)
q) Minutes of meetings
r) Amendment to budgets
s) Amendment to operational plans

3. Scope of the Engagement

The Risk- Based Assurance Services and agreed procedures comply with the relevant and applicable International Standard on Audit (ISA), comply with the requirements of the Institute of Internal Auditors (IIA) and the mandatory elements as per the Attribute Standard 1010, the Code of Ethics for Professional Accountants issued by IFAC and in conformance with the Quality Assurance and Improvement Programme (QAIP), Standard 1300.

The engagement shall cover all the active projects funded by the World Bank at the Commission. There are seven (7) projects currently as listed under the introduction and for avoidance of doubt:

i. Regional Off-Grid Electricity Project (ROGEAP)
ii. Regional Electricity Access Project (REAP)
iii. Battery Energy Storage Technology Project (BEST)
iv. Harmonizing Statistics in West Africa (HISWA)
v. West Africa Unique Identification for Regional Integration and Inclusion (WURI)
vi. Harmonizing Statistics in West and Central Africa (HISWACA)
vii. Western Africa Regional Digital Integration Program (WARDIP)

The engagement shall be performed on a quarterly basis as per project needs and on semi-annual basis for the period ending 30th June and 31 December respectively for each of the above projects.

4. Duration of the Engagement

The engagement shall be performed and concluded within four (4) weeks after the end of each reporting period. For example, engagement for the period ending 30th June shall be concluded at the latest by July 31st and that of 31st December by 31st January.

5. Qualifications and Experience of the Team

The firm must be an independent Audit and Chartered Accountancy Firm, having regular practice of auditing accounts, regularly registered in an Order of Chartered Accountants recognized internationally by IFAC or FIDEF, having confirmed experience (by a certificate of successful completion) in financial audit of development projects and acceptable to IDA.

The firm must have general experience of at least 10 years and have performed at least two (2) audits of regional projects/programs financed by the World Bank. Similar experience in West Africa and with sub-regional development organizations would be an additional asset.

Key mission staff will be required to include at least:

i. Engagement Director— Chartered Accountant with at least 12 years' experience in financial audit with at least 5 years' experience in auditing projects financed by multilateral donors (World Bank, African Development Bank, European Union, etc.) and a good knowledge of administrative, financial, and accounting management procedures and audits of projects financed by the World Bank

i. Engagement Team Lead — Specialist in Finance and Accounting, with at least 10 years' experience in financial audit with at least 3 years' experience in auditing projects financed by multilateral donors (World Bank, French Development Agency, European Union, IFAD etc.); Experience in the digital economy sector will be considered an asset.

ii. Two (2) senior auditors with a bachelor's degree in accounting or Auditing or Finance and with at least five (5) years of experience in an auditing firm including two (2) years in the field of auditing projects financed by the World Bank or other development partners and,

iii. One (1) Procurement Specialist with at least five (5) years of experience with at least a master's degree with a good knowledge of IDA procurement procedures and having carried out at least two (2) project audit missions.

6. Reporting

The report shall be submitted to the Director of Financial Reporting and Grants, ECOWAS Commission, Abuja and shall be issued in English Language.