

**REQUEST FOR EXPRESSIONS OF INTEREST
(CONSULTING SERVICES – FIRMS SELECTION)**

Republic of Liberia

Integrated Public Financial Management Reform Project (IPFMRP);

Ministry of Finance and Development Planning

Credit No.: IDA50260

Assignment Title: Consulting Services for External Auditor (Firm)

1. Background

The Republic of Liberia has received a Financing from the Swedish International Development Cooperation Agency (SIDA), the United States Agency for International Development (USAID), the International Development Association (IDA) and the African Development Bank (AfDB) toward the cost of an Integrated Public Financial Management Reform Project (IPFMRP), and it intends to apply part of the proceeds of this financing for consulting services.

2. Objective

The objective of the audit is to enable the external auditor express professional opinion on the General Auditing Commission (GAC) component (4.3) of the IPFMRP Financial Reports for the fiscal year July 1, 2015 to June 30, 2016 as submitted to the World Bank and express an audit opinion according to Cash Basis International Public Sector Accounting Standards (IPSAS) promulgated by International Federation of Accounting whether the Financial Reports of the **Liberia Integrated Public Financial Management Reform Project** submitted to the Bank, are in accordance with the Project Financial Management Unit (PFMU) records and World Bank requirement for financial reporting.

3. Scope of the Assignment

The consulting services (“the Services”) include the following:

The audit shall be planned and performed in accordance with International Standards of Auditing to provide reasonable assurance that the financial statements give a free and fair view. It will include such tests and controls, as the auditor considers necessary under the circumstances. The Auditor shall carry out all the services, which shall include but not necessarily limited to the under listed tasks:

1. All external funds have been used in accordance with the conditions of the relevant financing agreements with due attention to economy and efficiency, and only for the purposes for which the financing was provided under the relevant financing agreements;
2. Works, goods and services financed have been procured in accordance with the relevant financing agreement;

3. All necessary supporting documents, records, and accounts have been kept in respect of all project ventures (including expenditures reported via SOEs or SAs). Clear linkages should exist between the books of account and report presented to IDA;
4. The Credit account reconciliation between the amount shown as received by the Projects from IDA and that shown as being disbursed by IDA has been properly prepared and is presented as an annex to the PFS. This reconciliation statement should indicate the mechanism of disbursement, i.e. Designated Account, replenishment Statement of Expenditures, or direct payments;
5. The projects accounts have been prepared in accordance with consistently applied International Accounting Standards and give a true and fair view of the financial situation.

4. Project Financial Statements

The Project Financial Statements should include:

- a. A statement of Source (summary of funds received) and Application of Funds (summary of Expenditures shown under the main program headings and by main categories of expenditures for the period);
- b. A Balance Sheet showing Accumulated Funds of the program IDA balances, fixed assets, inventories, other assets of the program, and liabilities, if any, and
- c. Notes to the financial statements presenting background information on the program, the accounting principles, detail analysis and relevant explanation of the main accounts/major balances, etc.

5. Statements of Expenditures

In addition to the audit of the project financial statements, the auditor is required to audit all SOEs used during the year under review as the basis for the submission of withdrawal applications. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances, ensuring that the existing internal control procedures for the preparation and processing of the said SOEs are sound and reliable. The auditor should examine carefully the expenditures to ensure that:

- i. they represent genuine program expenditures and are eligible with regard to the relevant financing agreements and with reference to the project documents for guidance when considered necessary; and
- ii. they are reasonable with respect to the planned activities included in the annual work program and budget. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor.

Annexed to the Project Financial Statements should be a schedule listing individual SOE withdrawal applications for specific reference number and amount. The total withdrawals

under the SOE procedure should agree with the overall reconciliation of IDA disbursements prepared by the Projects and described above. A separate opinion to that effect will be issued by the auditor.

6. Designated Accounts

In conjunction with the audit of the Project Financial Statement, the auditor is required to prepare Designated Account reconciliation and audit the activities on the Designated Accounts of the Projects. The Designated Account comprises:

- a. deposit and replenishments received from IDA;
- b. payments substantiated by withdrawal applications;
- c. interest that may be earned from the balances which belong to the recipient;
- d. the remaining balances at the end of the fiscal year.

The auditor must form a separate opinion as to the degree of compliance with IDA procedures and the balance of the Designated Account at the end of the year. The auditor should examine the eligibility and correctness of financial transactions during the period under review and fund balances at the end of such a period, the operation and use of the DA in accordance with the financing agreement, and the adequacy of internal controls for this type of disbursement mechanism.

For the above Projects, the Designated Accounts are referred to in Grant Agreement between IDA and the Government of Liberia. Designated Accounts statements and the auditor's separate opinion thereon should be a part of the Project Financial Statements.

7. Audit Opinion

The auditor shall express an opinion on the project financial statements; produce an audit report on the three Project Accounts, which would include a separate paragraph commenting on the accuracy and propriety of expenditures withdrawn under SOE procedures and the extent to which the Bank can rely on SOEs as a basis for disbursements.

8. Internal Control System

The auditor is required to perform an in-depth and comprehensive review of the PFMU internal control system. The objective of the review is to provide the auditor with sufficient understanding of the rules and procedures of the internal control system, including administrative, accounting, financial, and budgetary manual of procedures, and to determine whether the said rules and procedures are adequate, reliable and operating correctly. In this vein, the auditor should assess with particular attention and determine whether:

- i. financial, accounting and reporting system in place is appropriate; and
- ii. accounting and financial staff within the PFMU have the capacity to efficiently manage the Project using the system.

9. Management Letter

The findings and observations of the auditor shall be presented in a separate report, the Management Letter, addressed along with the audit report to the recipient's representative. The Management Letter shall highlight all the weakness in the PFMU's internal control system, assess the inherent risks associated with the internal control shortcomings, and make practical and relevant recommendations to improve the system as well as to enhance the managerial skill and capability of the accounting and financial staff. In the Management Letter, the auditor will inter alia:

- a) give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- b) identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
- c) report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliance.
- d) communicate any matter that came to attention during the audit which might have a significant impact on the implementation of the Projects; and
- e) Bring to the recipient's attention any other matters that auditors consider pertinent.

The Ministry of Finance and Development now invites eligible consulting firms ("Consultants") to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- The firm must have technical competence in Financial Management and Auditing using International Standards of Auditing and must have performed at least five (5) similar audits.
- Firm must have a team of three (3) auditors with the following qualifications:
 - a) Audit Manager: Professional Accountant (CA, ACCA, ACA) or equivalent professional qualification with a minimum of eight (8) years post-qualification experience on similar audit assignments.
 - b) Audit Supervisor (1): Professional Accountant (CA, ACCA, ACA) or equivalent professional qualification with a minimum of five (5) years audit experience of which three (3) should have been on the audit of World Bank/Multilateral funded project.
 - c) Audit Senior (1): Part-qualified Accountant (Part 3 of the professional examinations of ACCA, ACA) or equivalent professional accountancy body with a minimum of three (3) years audit experience two (2) of which should have been on the audit of World Bank / Multilateral funded project.

The assignment is to be completed within sixty (60) days.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's [Guidelines: Selection and Employment of Consultants \[under IBRD Loans and IDA Credits & Grants\] by World Bank Borrowers](#), January 2011 ("Consultant Guidelines"), setting forth the World Bank's Policy on conflict of Interest.

Consultants may associate with other firms in the form of a joint venture or a subconsultancy to enhance their qualifications.

The Consultant will be selected in accordance with the "**Selection based on Consultants' Qualification (CQS) method**" set out in the Consultant Guidelines.

Further information can be obtained at the address below during office hours 0900 to 1600 hours.

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail) by 10th October, 2016.

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