



**Assignment Title: CONSULTANCY SERVICES TO CONDUCT INDEPENDENT FORENSIC & PERFORMANCE AUDIT OF THE AFRICAN UNION COMMISSION (AUC)**

**SPN No. AUC/OIA/C/001**

**Clarification I**

**To all Interested Consultants**

#	Section	Description	Request by Consultants	Clarification by AUC
1	4B: Consultant Information form	The table requires the consultant to provide;	Please clarify which documents are required to fulfil the requirement.	<i>Please review the Instruction to consultants, Data sheet and the forms to provide all the required document therein.</i>
		a) Legal and financial autonomy	A) Are financial statements and certificate of incorporation sufficient to fulfil the legal and financial autonomy requirement?	<i>Yes, Financial statements and certificate of incorporation or registrant is sufficient.</i>
		b) Operation under commercial law	B) Is a business licence sufficient for confirmation on operation under commercial law?	<i>Business license is sufficient.</i>
2	6. Terms of reference; Subsection VII -	We note the requirements of the key experts and the scores for each expert.	We would like to have the points allocated to each qualification for the lead consultant and the key experts; i.e.	<i>Please refer Section VII of the ToR.</i> <ul style="list-style-type: none"> <li><i>General qualifications (general education and training) 30%</i></li> </ul>
			a) University degree;	



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	Qualification of Key staff		b) Professional certifications; c) Years of experience	<ul style="list-style-type: none"> <li>Adequacy for the Assignment (relevant experience in similar assignments) 70%</li> </ul>
3	6. Terms of reference; Subsection IV - scope of work	f) Management of AU peace fund established in 1993	Please provide estimate of the number of transactions in determining income & expenditure and whether the verification is expected to be for 100% of transactions.	<p>The estimated number of transactions is less than 100 transactions per annum.</p> <p>Verification to be done on a SAMPLE basis.</p>
4	6. Terms of reference; Subsection IV - scope of work	b) Staff recruitment and contract renewal processes.	Kindly provide the number of employees recruited over the five year scope period and confirm whether the review is expected to cover an assessment of recruitment of all employees or on a sample basis.	<p>Est. total no. of employees = 1800</p> <p>Assessment to be done on a SAMPLE basis.</p>
5	6. Terms of reference; Subsection IV - scope of work	c) Procurement and travel practices	<p>1. Assess the adequacy of the staff resources within the Procurement Unit- Does adequacy refer to the size/number of staff or is it in terms of skills set/capabilities?</p> <p>2. Assess the competence, commitment and interest of the workforce: will the assessment cover the procurement function only or the whole organisation?</p>	<p>Adequacy refers to both QUANTITY (i.e. numbers) and QUALITY (i.e. skill set)</p> <p>On this aspect, it will cover the procurement function only.</p>

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#	Section	Description	Request by Consultants	Clarification by AUC
6			Do you have separate systems (apart from SAP) that you use for recruitment? and procurement? If yes, provide the name (s)	No
7			I note that you have asked us to attach copies of original documents showing a) <b>Legal &amp; financial autonomy</b> ; and b) <b>Operation under commercial law</b> . You have indicated that this would include an organisational chart, a list of Board of Directors and the beneficial ownership. For beneficial ownership, would a certificate of registration suffice?	<i>Business license / Certificate of Registration is sufficient.</i>
8			the number of contracts that AU has signed within the scope of period. <i>Under section 4 (Scope of Work) you require the forensic audit to look into ALL the contracts that the AU has signed within the timeframe</i>	<i>The number of contracts/Purchase orders are presented below</i>



#	Section	Description	Request by Consultants	Clarification by AUC		
				Year	No. of Purchase Orders	Estimated Amount in US\$
				2012	2373	13,768,087.21
				2013	2118	18,737,811.82
				2014	2156	11,160,790.89
				2015	1859	16,307,271.08
				2016	2644	18,309,165.86
				2017	3656	21,633,303.53
				2018	3463	26,183,669.75
9			whether there have been any changes to the system(s) in use over the period of scope.	<i>The AUC is using SAP since 2009</i>		
10			Can consultants be provided with the relevant Board of External Auditors (BoEA) and the Office of Internal Audit (OIA) reports referred to in the tender document?	<i>Not at this point.</i>		
11			If reports cannot be shared, what is the number of non-compliant transactions identified in these reports and what is their average value?	<i>The number of non-compliant transactions has not been determined.</i>		

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12			Under Terms of Reference no. c), does it require a review of Procurement as a whole or purely in relation to travel expenses?	<i>The review is required on both Procurement and Travel expense.</i>
13			Is all information available from the AU offices in Addis Ababa or is there some information that has to be physically acquired from other AU office locations?	<i>All information will be made available at the AU office in Addis Ababa.</i>
14			Is the Peace Fund account being reconciled from 1993 or within the scope of the years in the terms of reference (January 2012 to December 2018)?	<i>The Peace Fund will be reviewed within the scope of the years in the terms of reference (TOR).</i>
15			The timeline between expected start date (15 November 2019) and expected completion date (End of February 2020) is shorter than the 70 working days (the expected minimum number of man days for each of the key experts). Is there an expectation to spend a minimum of 70 days even if it results in postponement of the delivery date?	<i>The expectation is to deliver within the deadline. However, for amendments of a deadline, refer to Section 2.2 of RFP.</i>



#	Section	Description	Request by Consultants	Clarification by AUC
16	Section 3 – Data Sheet, ITC clause 6.1	Section 3. ITC 6.1 states that negotiations and further discussions with successful Consultant, if required will be held on October 10, 2019.  This date is prior to the deadline for proposal submission stated on ITC clause 4.5, October 18, 2019.	Please could the African Union Commission (AUC) clarify the date for negotiations and further discussions with successful Consultant.	<i>Please note that the negotiation date is expected to take place in the week of November 11 and Contract commencement is expected to take place a week after the successful negotiation.</i>
17	Section 6 – Terms of Reference, IV. Scope of work	Section 6. IV. refers to the review of finance and accounting practices, as well as expenditure and transactions.	Please could AUC clarify the following in relation to the accounting software:  - What was the accounting software in place at the AUC from 2012 to 2018?	SAP ERP



#	Section	Description	Request by Consultants	Clarification by AUC
18	Section 6 – Terms of Reference, IV. Scope of work, 14 a)	Section 6. IV. 14a refers to specific “cases of non-compliance with the relevant rules, regulations, established policies and standards identified in internal and external audit reports”.	<p>Please could AUC clarify whether a list of all known cases of non-compliance has been created.</p> <p>If yes, could AUC please clarify:</p> <ul style="list-style-type: none"> <li>- How many known cases of non-compliance would be subject to review?</li> <li>- For each of the items for review, in which country/location did the non-compliance take place?</li> </ul>	<i>The list of non-compliant cases has not been established.</i>
19	Section 6 – Terms of Reference, IV. Scope of work, 14 b)	Section 6. IV. 14b refers to the review of AUC recruitment systems and process over the last five years.	Please could AUC clarify the specific period meant by “the past 5 years”.	<i>The “last five years” are: 2014 -2018</i>
20	Section 6 – Terms of Reference, IV. Scope of work, 14 b)	Section 6. IV. 14b refers to the review of AUC recruitment systems and process over the last five years.	Please could AUC clarify which recruitment system was used in the period under review.	<ol style="list-style-type: none"> <li>1. We are currently using SAP E-recruitment system that was purchased by MIS department of AU and went live in December 2015.</li> <li>2. Previously we were using an in-house built recruitment system that was designed by</li> </ol>



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		We have noted on AU website that there is a new portal for recruitment and an old one.	If more than one, could AUC please clarify: <ul style="list-style-type: none"> <li>- Which systems were used?</li> <li>- Has the information from the old system been migrated to the new system?</li> <li>- Is the information from the old system available for extraction?</li> </ul>	AU Staff this system was used from 2011 (August) to November 2015. <ol style="list-style-type: none"> <li>3. No there was no migration of data from the old system, users had to create new profiles.</li> <li>4. Yes the information from the old system is still online and can be provided if needed.</li> </ol>
21	Section 6 – Terms of Reference, IV. Scope of work, 14 b)	Section 6. IV. 14b refers to ascertaining whether the staff recruited are qualified and were recruited in accordance with the recruitment procedures?	Please could AUC clarify how many staff were recruited over the period under review.	-2017 (113) -2018 (143) -2019 (54)
22	Section 6 – Terms of Reference, IV. Scope of work, 14 e)	Section 6. IV. 14e refers to a deep and thorough review of transactions including, but not	Please could AUC clarify the number of bank accounts used in the management of member state and partner funds.	We have a total of 166 Bank Accounts of which 51 have no balances i.e. not being used. 1 is a pension account and therefore not an AU Account.





#	Section	Description	Request by Consultants	Clarification by AUC																								
		<p>limited to, transactions identified in reports of the Board of External Auditors and the Office of Internal Audit reports to verify whether these expenditures were as per requirement of the AU</p> <p>Financial Rules and Regulations and other rules governing these funds.</p>		<table border="1"> <thead> <tr> <th colspan="3">AFRICA UNION BANK ACCOUNTS (30 September 2019)</th> </tr> <tr> <th>NO</th> <th>NAME</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Peace Support (PSD)</td> <td>37</td> </tr> <tr> <td>2</td> <td>ERM Accounts</td> <td>53</td> </tr> <tr> <td>3</td> <td>General Fund</td> <td>24</td> </tr> <tr> <td>4</td> <td>Pension Account (Non AU)</td> <td>1</td> </tr> <tr> <td>4</td> <td>Accounts with Zero Balances (GL to be Closed)</td> <td>51</td> </tr> <tr> <td colspan="2"><b>Totals</b></td> <td><b>166</b></td> </tr> </tbody> </table>	AFRICA UNION BANK ACCOUNTS (30 September 2019)			NO	NAME	Number	1	Peace Support (PSD)	37	2	ERM Accounts	53	3	General Fund	24	4	Pension Account (Non AU)	1	4	Accounts with Zero Balances (GL to be Closed)	51	<b>Totals</b>		<b>166</b>
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23	Section 6 – Terms of Reference, IV. Scope of work, 15	Section 6. IV. 15 states: “Regarding administration costs charged under partner projects and programs, the Forensic Audit shall look into all the contracts that the AU	Please could AUC clarify how many contracts the AU has signed within the applicable timeframe.	<p><i>Number of Grant agreements signed between 2012 and 2019:</i></p> <p><i>PSD: 41</i></p> <p><i>ERM: 87</i></p>																								

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		has signed within the timeframe”		
24	Section 6 – Terms of Reference, V Deliverables, time frame and reporting	Section 6 V. 20 refers to “periodic sessions with the PRC Sub-Committee on Audit matters to brief them as the forensic audit is progressing and the challenges thereof if at all”	Who will be the authorised formal sponsor of this forensic audit and single point for escalation of issues?	<i>Chairperson of the Subcommittee on Audit Matters, African Union Commission (AUC)</i>
	Section 6 – Terms of Reference, IX Governance and support by Africa Union Commission	Section 6. IX. Refers to Governance and support by Africa Union Commission.	Based on our experience of delivering other similar forensic audits, having appropriate logistics and security measures in place, for both the team and the information in their custody, is a critical success factor.  Would you please clarify the nature of the support that is available from the AUC in relation to team and information security.	<i>The Africa Union Commission (AUC) will provide for the selected Firm with the necessary office space and access to personnel, data, and information as appropriate.</i>

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	Section 4B – Consultant Information Form	You have asked us to attach copies of original documents showing  a) Legal & financial autonomy; and  b) Operation under commercial law.  Included are the organisational chart, a list of Board of Directors and the beneficial ownership.	For beneficial ownership, would a certificate of registration suffice?	<i>Please provide certificate of incorporation or registration and renewed business license.</i>
			This said, I note from the tender document that it is advisable for a pre- proposal conference meeting. Given the current time constraints of getting this tender to you, is there any way that we may conduct a Skype call?	<i>Pre-proposal meeting is not required. All the information are provided in the RFP. However, if a consultant wishes to have more clarification, may submit a written request for clarification.</i>

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			Proposals are too big to fit into envelopes. Are we permitted to send it in a box as it will be coming with a courier.	<i>Yes it is possible to send them in a box, preferably carton box.</i>
			Is the Tender open to international firms (firms not located in Ethiopia)	<i>Yes it is open to all.</i>
			Can we submit a joint Proposal (more than one firm) to enhance our capability?	<i>Yes, please refer the instruction to consultants</i>
			Please share the Technical and Financial Submission Forms (in Word) formats.	<i>Please visit our website to download the editable version of the solicitation document.</i>