



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

Country: Ethiopia

Name of Project: The Building Institutions and Systems to Harness and Realize Agenda (BIASHARA) 2063 Project

Grant No: P180117

Assignment Title: Consultancy Services to conduct External Audit for *the Building Institutions and Systems to Harness and Realize Agenda (BIASHARA) 2063 Project*

Reference No. ET-AUC-492110-CS-LCS

The African Union Commission has received financing from the World Bank toward the cost of *The Building Institutions and Systems to Harness and Realize Agenda (BIASHARA) 2063 Project* and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include conducting External Audit for *the Building Institutions and Systems to Harness and Realize Agenda (BIASHARA) 2063 Project*.

The detailed Terms of Reference (TOR) for the assignment are attached to this Request for Expressions of Interest.

The African Union Commission 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:

i) Legal Status and Registration

The firm shall:

- Be a legally registered audit firm.
- Be subject to oversight by an independent audit regulator or professional accountancy organization that applies quality assurance reviews.
- Be in good standing with a recognized professional accounting body (e.g., ACCA, CA, CPA Institute, or equivalent).
- Demonstrate authorization to conduct audits in accordance with International Standards on Auditing (ISA).

ii) Core Technical Experience

The firm must demonstrate:

a) General Audit Experience

- Minimum 10 years of experience in external auditing.

- Proven track record in auditing financial statements prepared under IFRS, and/or IPSAS.

b) Experience with Donor-Funded Projects

- Substantial experience in auditing World Bank–financed projects.
- Experience with audits financed under:
 - IDA / IBRD grants or credits.
 - Investment Project Financing (IPF).
- Demonstrated familiarity with:
 - World Bank Disbursement Guidelines.
 - Designated Account (DA) audits.
 - Interim Financial Reports (IFRs).
 - Withdrawal application procedures
 - Procurement compliance under the World Bank Procurement Regulations (2016, revised 2020).

Preference should be given to firms that have successfully completed at least three (3) similar assignments within the last five (5) years.

iii) Relevant Assignment Experience

The firm should demonstrate experience in assignments involving:

- Audit of:

Project Financial Statements (PFS)

- i) Designated Accounts
- ii) Statements of Expenditure (SOE)
- iii) Reconciliation of World Bank disbursements

Review of:

- i) Procurement compliance
- ii) Internal controls
- iii) Financial management systems

Issuance of:

- i) Audit opinions in accordance with ISA
- ii) Management Letters with actionable recommendations

Key Experts will not be evaluated at the shortlisting stage.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016, revised November 2020 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consultant will be selected in accordance with the Least Cost Selection method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours *0900 to 1700 hours*.

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by e-mail) by **20 March 2026 at 1700 hours**.

African Union Commission,
Attn: Head of Supply Chain Management Division
Building C, 3rd Floor,
P.O Box 3243, Roosevelt Street
Addis Ababa, Ethiopia
Tel: +251 (0) 11 551 7700 – Ext 4305
Fax: +251 (0) 11 551 0442; +251 11-551-0430
E-mail: Tender@AfricanUnion.org

TERMS OF REFERENCE

(CONSULTING SERVICES – FIRM)

CONSULTANCY SERVICES TO CONDUCT EXTERNAL AUDIT FOR THE BUILDING INSTITUTIONS AND SYSTEMS TO HARNESS AND REALIZE AGENDA (BIASHARA) 2063 PROJECT

REF: ET-AUC-492110-CS-LCS

1. BACKGROUND

Reference is made to agreements signed between AUC and the World Bank on the IDA Grant where it requires an annual external audit on the programme financial statements and transactions. An audit firm performs the external audits annually for each grant, where the final audit report should be submitted to the World Bank by 30 June of the following fiscal year.

The audit will cover the World Bank funded project Building Institutions and Systems to Harness and Realize Agenda 2063 Project. **Ref: P180117, IDA E2020**

2. ACCOUNTING PERIOD TO BE COVERED BY THE AUDIT

The accounting period subject to audit shall be January 2025 to December 2025.

3. OBJECTIVE OF THE PROJECT AUDIT

The objective of the audit of the Project Financial Statements (PFSs) is to enable the auditor to express a professional opinion(s) on the financial position of the project at the end of each fiscal year, and on funds received and expenditures incurred for the relevant accounting period. The project books of accounts provide the basis for preparation of the PFSs by the Africa Union Commission (AUC) and are established to reflect the financial transactions in respect of the project. The AUC maintains adequate internal controls and supporting documentation for transactions.

4. PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The responsibility for the preparation of financial statements including adequate disclosure is that of the Africa Union Commission (AUC). It is also responsible for the selection and application of accounting policies. The AUC would prepare the PFSs in accordance with the International Financial Reporting Standards or International Public Sector Accounting Standards.

The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the audit process, the auditor may request from AUC written confirmation concerning representations made in connection with the audit.

5. SCOPE OF THE AUDIT

As stated above, the audit of the project will be carried out in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and will include such tests and auditing procedures as the auditor will consider necessary under the circumstances. Special attention should be paid by the auditor as to whether:

- 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 Procedures¹
- All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Interim Unaudited Financial Report (IFR) methods of reporting. The auditor is expected to verify that respective reports issued during the period, were in agreement with the underlying books of account.
- Designated Accounts 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.
- Relevant laws and regulations have been complied with, and that the financial and accounting procedures approved for the project (e.g. operational manual, financial procedures manual, etc.) were followed and used;
 - (a) Financial performance of the project is satisfactory.
 - (b) Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement.
 - (c) Ineligible expenditures included in withdrawal applications are identified and reimbursed to the Designated Accounts. These should be separately noted in the audit report.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:

- a) ***Fraud and Corruption:*** Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;
- b) ***Laws and Regulations:*** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;

¹ Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In cases where such experts are involved, the auditor is expected to comply with provisions of International Standard on Auditing 620: Using the Work of an Expert. Consideration to use of the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

- c) **Governance:** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- d) **Risks:** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

6. PROJECT FINANCIAL STATEMENTS (PFSs)

The auditor should verify that the project PFSs have been prepared in accordance with the agreed accounting standards (see paragraph 3 above) and give a true and fair view of the financial position of the project at the relevant date and of resources and expenditures for the financial year ended on that date

The Project Financial Statements (PFSs) should include:

- A statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds separately, and of expenditures incurred.
- A summary of the activity in the Designated Account.
- A Summary of the principal accounting policies that have been adopted, and other explanatory notes.
- A list of material assets acquired or procured to date with project funds

As an Annex to the PFSs, the auditor should prepare a reconciliation of the amounts as "received by the Project from the World Bank", with those shown as being disbursed by the Bank.

7. UNAUDITED INTERIM FINANCIAL REPORTS (IFRs)

In addition to the audit of the PFSs, the auditor is required to verify all IFRs used as a basis for the submission of loan withdrawal applications to the World Bank. The auditor will apply such tests and auditing procedures as considered necessary under the circumstances. Annexed to the PFSs should be a schedule listing individual IFR withdrawal applications by specific reference number and amount.

The total withdrawals under the IFRs procedures should be part of the overall reconciliation of Bank disbursements described in paragraph 5 above.

8. DESIGNATED ACCOUNT

In conjunction with the audit of the Project PFSs, the auditor is also required to review the activities of the Designated Account associated with the project. The Designated Account usually comprises:

- Advance deposits received from World Bank.
- Replenishments substantiated by withdrawal applications.
- Interest that may have been earned on the accounts, and which belong to the recipient; and
- Withdrawals related to project expenditures

The auditor should pay particular attention to the compliance with the Bank's procedures as stipulated in the Financing Agreement and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the DAs in accordance

with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.

The auditor should also examine eligibility and correctness of:

- Financial transactions during the period under review.
- Account balances at the end of such a period.
- The operation and use of the Designated Account in accordance with the financing agreement; and
- The adequacy of internal controls for the type of disbursement mechanism.

9. AUDIT REPORT

The auditor will issue an opinion on the project financial statements (PFSs). The annual audit report of the project accounts should include a separate paragraph highlighting key or significant internal control weaknesses and non-compliance with the financing agreement terms.

10. MANAGEMENT LETTER

In addition to the audit report, the auditor will prepare a management letter, in which the auditor will:

- Give comments and observations on the accounting records, systems and controls that were examined during the audit.
- Identify specific deficiencies or areas of weakness in systems and controls and make recommendations for their improvement.
- Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance.
- Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project.
- Give comments on the extent to which outstanding issues/qualifications issues have been addressed.
- Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
- Bring to the recipient's attention any other matter that the auditor considers pertinent, including ineligible expenditures.

Ideally, the management letter should also include responses from the implementing agency to the issues highlighted by the auditor.

11. AVAILABLE INFORMATION

The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at the Bank. Available information should include copies of the relevant: project appraisal document; financing agreement; financial management assessment reports; supervision mission reports and implementation status reports. All the necessary supporting documents for transactions recorded should be maintained at the AUC Head Quarters and presented for the Auditors' review. However, if a need to visit the AfCFTA office in Accra-Ghana arises, AUC will facilitate for the audit team to review the AfCFTA accounts/project assets at its premises.

12. GENERAL

The financial statements, including the audit report, management letter and management response should be received by the Bank no later than six months after the end of the accounting year to which the audit relates.

The auditor should submit the report to the recipient's designated agent, AUC Management, rather than to any staff member of the project entity. The agent should then promptly forward two copies of the audit report and accompanying statements to the Bank together with the management letter and management response.

Disclosure- In accordance with the Bank's disclosure policy, the project audit report (excluding management letter) should be disclosed by the implementing entity (Ministry of Agriculture). The World Bank also makes the report available for public disclosure through the Bank website.

It is highly desirable that the auditor becomes familiar with the Financing agreement and Disbursement Letter of the Grants, the Bank's financial reporting and auditing requirements contained in the [Bank Policy - Investment Project Financing](#), Bank Directive - Investment project Financing, [Bank Policy and Bank Directive: Program for Results Financing](#), and Bank Policy for Development Policy Financing. The auditor should also be familiar with the [Disbursement Guidelines for Investment Project Financing](#) (February 2017), the [Loan Handbook for World Bank Borrowers](#) (February 2017), and the [World Bank's Procurement Framework](#) (July 2016). These documents are available on the Bank's website and could be obtained from the Task Team Leader.

13. Qualification and Experience Requirements of the Firm

i). Legal Status and Registration

The firm shall:

- Be a legally registered audit firm.
- Be subject to oversight by an independent audit regulator or professional accountancy organization that applies quality assurance reviews.
- Be in good standing with a recognized professional accounting body (e.g., ACCA, CA, CPA Institute, or equivalent).
- Demonstrate authorization to conduct audits in accordance with International Standards on Auditing (ISA).

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14. Key Expert Qualification

Consultant's Team	Qualification and Experience	Time Input in Man-Month
Key Experts – Audit Manager		
Team Leader	<ul style="list-style-type: none"> • Qualification: -ACCA, CPA, CA Qualified and B.A. in Accounting • General experience: Minimum of 7 years of experience in Auditing • Specific experience: Have prior experience in auditing World Bank funded projects 	0.5

Consultant's Team	Qualification and Experience	Time Input in Man-Month
Key Experts 2 – Senior Auditor		
	<ul style="list-style-type: none"> • Qualification: At least part qualified and B.A. In Accounting • General experience: minimum of 5 years of experience in Auditing • Specific experience: Have prior experience in auditing World Bank funded projects 	1

Consultant's Team	Qualification and Experience	Time Input in Man-Month
Key Experts 3 Audit Junior		
Audit Junior	<ul style="list-style-type: none"> • Qualification: B.A Degree in Accounting • General experience: minimum of 2 years of experience in Auditing 	1

14.Deliverables

Key tasks	Timeline
1 st Draft Financial Audit report	Fourth Weeks after signing of contract
2 nd Draft Financial Audit Report	Eight Weeks after signing of contract
Final Financial Audit Report	Twelve Weeks after signing of contract

15. Reporting

For the purpose of execution of assignment, the firm will report to the Director of Finance, AUC.