



**RECRUITMENT OF A CONSULTANT (FIRM) TO CARRY OUT AN EXTERNAL AUDIT
OF THE PROJECT ACCOUNTS:**

- Women's Empowerment and Demographic Dividend in Sub-Saharan Africa-Plus (SWEDD+) Project P176693,
- Health Security Program (HeSP) P179078

FOR 2024-2025-2026 ACCOUNTING EXERCISES

Terms of Reference

FUNDING: World Bank

July 2024

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BACKGROUND AND RATIONALE

The West African Health Organization is the specialized health institution of the Economic Community of West African States (ECOWAS). The mission of the West African Health Organization (WAHO) is to provide the people of the region with the highest quality health care rooted in the harmonized policies of Member States, pooling of resources, and cooperation between Member States and other countries and partners for a collective and strategic fight against health problems in the region. In order to fulfill its mission, WAHO has received funding from the World Bank (WB) to implement the following projects:

1. Sub-Saharan Africa Women's Empowerment and Demographic Dividend Project-Plus (SWEDD+),

The development objective of the project is "to increase girls' and women's access to learning, economic opportunities and the use of health services, and to strengthen the institutional capacity of the entire region for gender equality". This project is being implemented jointly with the ECOWAS Centre for Gender Development (CCDG) and the UNFPA Regional Office for West Africa (UNFPA-WCARO). The budget allocated by the World Bank to WAHO for the SWEDD+ project is \$15 million for 4 years, from 2025 to 2028.

2. Health Security and Resilience Programme in West and Central Africa (HeSP)

The development objective of the project is to strengthen regional collaboration and the capacity of health systems to prevent, detect and respond to health emergencies in West and Central Africa.

The Health Security Programme (HeSP) will be implemented from 2024 to 2032 and will cover West and Central Africa. WAHO will provide regional coordination of the Programme, with a budget of US\$15 million over five years, and will work in partnership with the World Organisation for Animal Health (WOAH), which has a budget of US\$10 million for the same period. Other partners such as the World Health Organization (WHO), GIZ, the Joseph Ki-Zerbo University of Ouagadougou (Burkina Faso) and the University of Ghana will also support the implementation of the Programme.

PERIOD OF THE MISSION

The audit engagement will cover the accounting periods ending at:

- December 31, 2024 (HESP+SWEDD+)
- December 31, 2025 (HESP+SWEDD+)
- December 31, 2026 (HESP+SWEDD+)

In the event that WAHO signs a contract for new projects, during the current contract period, the closing dates of these projects and related information will be specified.

These terms of reference, which define the objectives and tasks assigned to the auditor, are in line with World Bank guidelines.

CONTACTS DURING THE MISSION

Once the consulting firm has been selected, WAHO will provide a list of key contacts for the audit. This list includes the names of the following positions:

- Director General of WAHO;
- Director - Department of Health Planning and Information (DPHI);
- Director of Administration and Finance (CFO);
- Financial Controller;
- Senior Accountant;
- Administration of purchase orders, assets and risks;
- Accountants, administrative staff and administrators;
- Project Management Unit General Coordinator (GC-PMU);
- Project Coordinators, Procurement Specialist and Assistant, Financial Management Specialist, Accountant; Monitoring and Evaluation Officer and Assistant;

II. AUDIT OBJECTIVES OF WORLD BANK-FINANCED PROJECTS

The objective of the financial and accounting audit is to provide a professional opinion on the financial position of each project at the end of each fiscal year and to ensure that the resources provided for the projects are used for the intended purposes for achieving the development objectives of the projects.

The expression of this professional opinion will be based on documents prepared and provided by WAHO and other relevant legal documents of the projects.

To this end, WAHO has put in place an adequate internal control system as well as acceptable documentation of transactions related to each project.

III. PREPARATION OF ANNUAL FINANCIAL STATEMENTS

WAHO is responsible for the preparation of the financial statements, including notes and notes, in accordance with the International Public Sector Accounting Standards (IPSAS).

The auditor should express an opinion on financial statements based on International Standards on Auditing (ISAs), in particular by referring to ISA 800 (Auditor's Report on Special Audit Engagements) issued by the International Federation of Accountants (IFAC) in order to provide reasonable assurance that the financial statements are fair and clear. The audit should include any tests and controls that the auditor may deem necessary. The auditor should note that he is required to carry out a compliance audit and not a regular statutory audit for the purposes of the assignment entrusted to him.

IV. AUDIT SCOPE

As noted above, each project will be audited in accordance with the International Standards on Auditing (ISAs) issued by IFAC and will include such auditing tests, procedures and controls as the auditor deems necessary. The auditor will ensure that:

All Bank resources and other external funds have been used in accordance with the provisions of the relevant financing agreements, with a view to economy and efficiency, and only for the purposes for which they were provided. These are grants E2420-3W for the SWEDD+ project and E269-3W for the Health Security Program (HeSP).

- a) Contracts for goods and services have been awarded in accordance with the provisions of the relevant financing agreements based on the World Bank's procurement procedures and have been duly recorded in the accounting books;
- b) All necessary records, registers and accounts have been maintained for the various operations related to the Projects (including expenses covered by statements of expenditure or financial monitoring reports);
- c) Designated accounts are administered in accordance with the provisions of the Financing Agreements;
- d) The accounts of each Project have been prepared by systematically applying OHADA accounting standards and give a true and fair view of the financial position of each Project at the end of each financial year as well as the resources received and expenditures incurred during the financial year at the closing date.
- e) The overall financial performance of each project is satisfactory;
- f) The capital assets of each project are actual and properly valued, and ownership of the project or its beneficiaries is established in accordance with the funding agreement.
- g) Ineligible expenses in the claims for reimbursement of funds identified during the audit of each project were reimbursed to the designated account. These expenses are disclosed separately in the audit report.

In accordance with IFAC standards, the auditor will pay particular attention to the following issues:

- i. ***Fraud and corruption:*** In accordance with ISA 240, the auditor's responsibility to examine fraud in an audit of financial statements, the auditor must identify and assess any risk of fraud, obtain or provide audit evidence sufficient to analyze those risks and address identified or suspected fraud appropriately.
- ii. ***Laws and regulations:*** In developing the audit approach and performing audit procedures, the audit should assess the **Project Management Unit's** compliance with laws and regulations that could materially affect the financial statements, as required **by ISA 250 (Recognition of the Risk of Irregularities in the Accounts Resulting from Non-Compliance with Legal and Regulatory Requirements)**
- iii. ***Governance:*** Communication with project managers responsible for the governance of significant audit matters in accordance with **ISA 260 (Engagement Communication with Governance Leaders)**.
- iv. ***Risks:*** In order to reduce audit risks to a relatively low level, the auditor should perform appropriate audit procedures in response to the risk of irregularities identified at the end of the audit in accordance with **ISA 330 (Audit Procedures Performed by the Auditor on Assessed Risks)**.

V. PROJECT FINANCIAL STATEMENTS

The auditor will verify that the financial statements of each project have been prepared in accordance with accepted accounting principles (see paragraph 3 above) and that they present fairly the financial

position of the project at the balance sheet date and the resources and expenditures at that date. The financial statements for each project include:

- a) Statement of resources (funds received from IDA, etc.) and utilization (expenditures incurred during the reporting period);
- b) Status of operations in the dedicated account;
- c) A statement of assets and liabilities showing the accumulated funds for each project, bank balances, other project assets and liabilities, and commitments, if any;
- d) Notes to the financial statements describing the accounting principles used and presenting a detailed and explained discussion of the main accounts;
- e) List of capital assets purchased from each project's funds.

The External Auditor shall attach to the financial statements a reconciliation of the funds received by the World Bank project and the funds disbursed by the World Bank.

VI. CERTIFIED STATEMENTS OF EXPENDITURE

In addition to auditing the financial statements, the auditor verifies the certified statements of expenditure or financial monitoring reports used as the basis for requesting reimbursement of funds from the World Bank. The auditor will perform tests, audit procedures, and controls as appropriate. A list of certified statements of expenditure, evidenced by claims, is appended to the financial statements, including specific references to the amount and numerical sequence.

The total number of claims for reimbursement of funds submitted under the certified statements of expenditure or financial control reports procedure should be an element of the overall reconciliation of disbursements described in paragraph 5 above.

VII. DEDICATED ACCOUNT

As part of the audit of the financial statements for each project, the auditor will analyze the transactions of the designated account, which should include:

- Advances received from the World Bank;
- replenishment of the designated account supported by requests for reimbursement of funds
- any interest that may have accrued in the project account;
- withdrawals made for project expenses.

The auditor pays particular attention to the compliance of the balances of the designated account at the end of the financial year with the procedures of the World Bank. The auditor shall examine the eligibility of the financial transactions during the period under review and the balances of the funds at the end of the financial year in accordance with the provisions of the financing agreement and the disbursement letter. The auditor examines the adequacy of the internal control system on the basis of the disbursement mechanism. It should be noted that the conditions for the management of the designated accounts are described in subsections 5.3 of the financing agreement and paragraph I of the disbursement letter.

The auditor must verify the eligibility and accuracy of the following:

- Financial transactions carried out during the period under review;
- Account balances at the end of the fiscal year under review;
- The use of the Account designated in accordance with the Financing Agreement;

- The robustness of the internal control in relation to the disbursement mechanism.

VIII. AUDIT REPORT

The auditor expresses an opinion on the financial statements of each project. The annual audit report of the project shall include a separate paragraph highlighting the main weaknesses in internal control and instances of non-compliance with the terms and conditions of the financing agreement.

The interim audit report must be received no later than one (1) week after the end of the engagement.

WAHO reviews the interim audit report, reviews all findings and recommendations, and provides initial comments at a meeting. The auditor must finalize the report within one (1) week.

IX. LETTER OF INTERNAL CONTROL

In addition to the audit report on the financial statements, the auditor prepares an internal audit letter that includes:

- (a) Comments and observations on the accounting records, systems and controls examined during the audit;
- (b) Weaknesses in the internal control system and recommendations for system improvement;
- (c) The level of compliance with each financial commitment contained in the financing agreement and comments, if any, on external and internal issues affecting such compliance;
- (d) Communication issues identified during the audit that may have a significant impact on project execution;
- (e) Comments to fill gaps and reservations;
- (f) Comments on unimplemented recommendations from previous audit reports
- (g) Comments and observations on procurement activities for all projects;
- (h) Comments on any other deficiencies that the auditor deems relevant, including ineligible expenditures. Ideally, the internal control letter should include the implementing entities' responses to the deficiencies identified by the auditor.

X. AVAILABLE INFORMATION

The auditor has access to all legal documents, correspondence and other information about the project that the auditor deems necessary.

The External Auditor shall obtain confirmation of the amounts disbursed and the balance of the designated accounts at the Bank. Available information should include copies of project evaluation documents, funding agreements, financial management evaluation reports, and oversight reports, as applicable;

XI. GENERAL

The auditor submits the report in six (06) copies of each project to the Director General of WAHO. It would be highly desirable for the auditor to familiarize himself with the Financial Reporting Guidelines (June 30, 2003) and the Audit of IDA Financed Projects that summarize the financial reporting and auditing requirements. The auditor also consults the World Bank's procurement

guidelines. The auditor will also review the World Bank's Disbursement Manual (May 2006). These documents must be provided to the auditor by WAHO or can be found on the World Bank's website. In addition, the auditor shall submit a financial proposal indicating the costs of providing annual audit services per project and the overall cost of the annual audit.

XII. AUDITOR PROFILE

The Consultant must be an independent firm of auditors and chartered accountants, regularly registered on the Roll of an Order of Chartered Accountants Member of IFAC, with proven experience in the financial audit of development projects and acceptable to IDA. The firm must be up to date with its Order of Chartered Accountants (certificate of regularity produced by the Order of Chartered Accountants).

More specifically, the auditor will be an audit and accounting firm with at least 5 years' experience in the field of accounting and financial auditing of similar projects/programmes and must have audited the annual financial statements of at least 5 projects financed by the World Bank over the last 5 years. He/she must also have sufficient knowledge of international standards (ISA, etc.) in financial and accounting auditing.

Key personnel for the assignment must include at least:

- (a) A Certified Public Accountant (CPA) or Chartered Accountant (CPA) registered with the Order of Chartered Accountants of his/her country, signatory of the audit reports, with at least 15 years of cumulative experience in financial and accounting audit, including at least 5 years in accounting audit assignments for projects financed by the World Bank. He/she must have signed audit reports and/or participated in at least 4 audit missions of accounts of projects/programmes financed by the World Bank;
- (b) one (1) Head of Mission with a degree of BAC + 5 or more in auditing, accounting and demonstrating a cumulative experience of 10 years, including at least 5 years in auditing accounting missions of projects financed by donors (World Bank projects are an asset). He/she must have supervised at least 5 audit assignments on donor-funded projects, with at least 2 assignments for the World Bank;
- (c) one (1) experienced auditor with a degree of BAC + 5 or more in auditing, accounting and demonstrating a cumulative experience of 5 years, including at least 3 years in auditing accounts of projects financed by the World Bank. He/she must have participated in at least 3 missions to audit the accounts of projects/programmes financed by donors, at least one mission for the World Bank;
- (d) one (1) Procurement Specialist with at least 4 years' higher education in engineering, public works, economics, law or equivalent, with at least 3 years' experience in procurement auditing. He/she must have participated in at least 3 audits of the accounts of development projects/programmes financed by the World Bank.

In addition to the documents, the audit firm's tender must include the following information:

- i. References of the auditor abroad and in Burkina Faso ;
- ii. References for audit assignments for projects financed by the World Bank in Burkina Faso and abroad (name of project, financing number, years audited);
- iii. Curriculum vitae of the various members of the audit team.

XIII. DURATION OF THE MISSION

The estimated duration of the audit engagement is one month per fiscal year per financial year for each project, including the submission of final reports.

XIV. FORCE MAJEURE

In the event of force majeure preventing auditors from accessing WAHO sites, the audit mission may be held remotely.

XV. TERMS OF PAYMENT

Payment is made upon acceptance of the audit report by the World Bank.