

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3646-P003

Selection Method: Simplified competitive selection

Country: Jamaica and Guyana

Sector: Innovation in Citizen Services

Funding – TC #: ATN/AA-18267-RG

Project #: RG-T3646

TC name: Strengthening Corporate Governance of Supreme Audit Institutions in Caribbean Countries

Description of Services: Develop forensic audit capacity within the Supreme Audit institutions of Jamaica and Guyana

Link to TC document: <https://www.iadb.org/projects/document/EZSHARE-662011805-23?project=RG-T3646>

The Inter-American Development Bank (IDB) is executing the above-mentioned operation. For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<http://beo-procurement.iadb.org/home>) by: *March 4, 2021*, 5:00 P.M. (Washington D.C. Time).

The consulting services (“the Services”) include enhancing the suite of audit services provided by SAI Suriname by strengthening its institutional capacity to conduct financial audits and train relevant personnel in the satisfactory conduct and execution of such audits. By facilitating greater adherence to international standards on auditing and in the particular area of financial audit, this consultancy will provide SAI Suriname with the necessary tools to give greater scrutiny of transactions within the public finance system while exhibiting greater degrees of institutional autonomy that augurs for greater state legitimacy both locally and internationally. The work is estimated to take Ninety (90) non-consecutive days over a six (6) month period starting in the first (1st) quarter of 2021.

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work](#) - GN-2765-1. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described above in the [draft summary](#) of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

The consulting firm will retain the relevant expertise in assessing the risk profiles of public sector organisations in the Caribbean. The wireless internet used by the consulting firm during the consultancy must have WPA2 encryption level and computer hardware must have minimum security practices including antivirus, antispyware and firewall solutions. The consulting firm will be expected to provide consultants with the relevant qualifications and experience to include the following minimum: Degree in Accounting, Finance, Business Management, Forensic Auditing, or related field and/or a member of a recognised Professional Accountancy Body and CFE certification; and a minimum of five years' experience in the execution of forensic audits and conducting forensic audit or related training.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: Mr. Jason Wilks via jwilks@iadb.org.

Inter-American Development Bank
Division: Innovation in Citizen Services
Attn: Jason Wilks, Program Team Leader
Country Office Guyana
47 High Street Kingston
Georgetown, Guyana
Tel: (592) 225-7951. Ext (15) 1295
E-mail: jwilks@iadb.org
Web site: www.iadb.org

TERMS OF REFERENCE

CONSULTANCY TO DEVELOP FORENSIC AUDIT CAPACITY IN THE SUPREME AUDIT INSTITUTIONS OF JAMAICA AND GUYANA

1. Background

As institutions of accountability, Supreme Audit Institutions (SAIs) play a fundamental role in ensuring the transparency and integrity of spending by public financial systems. However, to capitalise on the opportunity to provide increased scrutiny of public finances, SAIs must balance the dynamics of extending their institutional presence within state agencies to conduct comprehensive audits and control functions while ensuring that institutional capacity development allows for a sustainable expansion of audit services going forward. SAIs in the Caribbean are acutely aware of existing gaps in their investigative capacity and institutional autonomy.

The Auditors General (AGs) of Jamaica and Guyana, by virtue of their roles as Heads of Supreme Audit Institutions, provide effective audit scrutiny and contribute to the anti-corruption effort and strengthening of Government transparency and accountability framework. The inherently high risk of corrupt practices at public institutions has resulted in the AGs expanding the types of audits conducted and the analytical tools used in execution of these audits. In Jamaica, the Auditor General's Department (AuGD) established a Special Audit Unit, dedicated solely to the examination of government agencies' financial and non-financial activities in cases of suspected misconduct. The corresponding evidence (in the format of a special audit report) is then submitted to Parliament for consideration, review and action by its Public Accounts Committee (the Auditor General has no power to prosecute). In the case of Guyana, the anticipated economic impact from the revenues expected from the exploitation of the oil reserves off the coast of Guyana that commenced in December 2019, has necessitated a comprehensive review and reform of government business practices, with an emphasis on the capabilities and integrity of regulatory agencies such as the Audit Office of Guyana (AOG) that have a defined role in the oversight of Budget Execution in the public sector. The changes in the oversight responsibilities of the two regulatory bodies create sufficient impetus for the enhancement of their investigative capabilities to safeguard the public trust and improve the efficiency in the use of public resources.

The AuGD/AOG has identified the need to improve its application and use of investigative skills in unearthing fraudulent activity, embezzlement and other irregularities that may be hidden in financial transactions. Additionally, with the current reliance on internet technologies, the scope of forensic auditing has expanded exponentially, as many use the internet as a medium to obfuscate illegal transactions. Therefore, the skill of evidence gathering and analysing data through technology is an area of special interest to the AuGD/AOG. In improving the relevant skill sets in executing forensic/special audits, the AuGD/AOG will be positioned to create effective strategies to counter, detect and successfully investigate potential cases of fraud, providing useful and timely recommendations to its auditees and prompting further corrective action by the aforementioned anti-corruption agencies/bodies.

2. Objective

The objective of this procurement is to strengthen the institutional capacity of both the SAIs of Jamaica and Guyana to undertake forensic audits, by training staff and developing relevant manuals and procedures for the satisfactory conduct and execution of such audits. This consultancy will provide both Jamaica and Guyana

with the necessary tools to give greater scrutiny to transactions within the public finance system, while exhibiting greater degrees of institutional autonomy that augers well for state legitimacy locally and internationally.

3. Scope of Work

Consultancy category and modality: Firm

Estimated duration: Ninety (90) non-consecutive working days over a six (6) month period

Place(s) of work: Country of the firm/organisation, Kingston, Jamaica and Georgetown, Guyana (no missions are currently anticipated).

The consultancy must be able to address the performance gaps of the Special and Performance Audit teams, with emphasis placed on the identification of systemic risks and fraudulent activities; forensic auditing techniques, approaches and court proceedings. In addition, it must define strategies to effectively counter, deter and where possible prevent threats, providing critical and detailed recommendations that may be used by the Public Accounts Committee and other anti-corruption agencies.

The training will be delivered through two modalities – (i) a classroom-like delivery of training content over an extended period; and an applied learning approach that involves supervision of audit personnel undertaking two (2) pilot forensic audits in Jamaica and Guyana, respectively.

The training should include but not limited to the following areas:

1. Forensic audit techniques and approaches from the pre-audit activities through to the reporting/conclusion stage, in accordance with international standards and best practices.
2. Risk Assessment (21st century risks and where they are coming from).
3. Assessment of Internal Controls.
4. Creating forensic auditing strategies and operational plans.
5. Analysing data and use of data analytics in conducting investigations and forensic audits.
6. Writing the forensic audit report and presenting evidence in court proceedings.
7. Root cause analysis in forensic auditing.
8. Creating and maintaining a counter fraud and corruption culture.
9. Auditing counter fraud arrangements, capacity and capability.

The training will be complemented by developing a forensic audit manual for the AuGD and refining the existing forensic audit manual of the AoG, in accordance with ISSAI requirements, under this consultancy. Due to the COVID-19 Pandemic, the consultancy must be undertaken virtually.

4. Key Activities

The consulting firm shall perform the following tasks:

1. Deliver forensic audit training to a maximum of twenty (20) participants in Jamaica and twenty (20) participants in Guyana, through a combination of (i) classroom (online) content delivery; and (ii) “field” instruction via a pilot audit for each SAI.
2. Lead the development of customised audit planning templates.

3. Coordinate the execution of two (2) forensic audits for each SAI from beginning (the pre -planning phase) to end (special/audit report).
4. Support each SAI to develop case files for submission to the relevant authority.
5. Review, update (for Guyana) and develop (for Jamaica) a manual of forensic auditing.

5. Expected Outcome and Deliverables

The Consultant shall prepare and submit the following deliverables in English:

KEY OUTCOME/ DELIVERABLES	DESCRIPTION
Inception Report	An inception report that describes the consultancy work plan, including, among others, the methodologies to be used, details on the training content and a timeframe with the development of the training activities. In addition, the report should also include a training needs assessment that can inform the decision on which pilot audits to be conducted.
Forensic Audit Training Report	Delivery of online training in Forensic Auditing for Twenty (20) AuGD audit team members and twenty (20) AoG audit team members, as evidenced by a post-training report that communicates details on the training process, includes an empirical measure of capacity development by training participants, reports evaluative feedback from participants on the training experience, and provides copies of training materials.
Forensic Audit Manuals for AuGD and AoG	Review and update of the Forensic Audit Manual for SAI Guyana and development of a manual on Forensic Auditing for the SAI Jamaica.
Final Report and Presentation	A final report and PowerPoint presentation summarising details of the capacity building activities under this consultancy and sharing lessons learned coordinating with the Auditors from Guyana and Jamaica to execute two (2) forensic audits in each country from planning stage through to reporting.

6. Project Schedule and Milestones

The consulting firm will be free to propose their specific working methods and schedules in their submission. However, the consulting firm should anticipate a combination of milestone and routine reporting in the conduct of the consultancy and submission of deliverables. The proposed project schedule for submitting deliverables under this consultancy is as follows:

DELIVERABLES		
No.	Description	Timeline
1	Inception Report	Within twenty (20) working days of contract signing
2	Forensic Audit Training Report	By the end of twelve (12) weeks
3	Forensic Audit Manuals for AuGD and AoG	By the end of twenty-two (22) weeks
4	Final Report and Presentation	By the end of twenty-four (24) weeks

7. Reporting Requirements

- All reports shall be delivered electronically, with all supporting documentation in editable format.
- At a minimum, the consulting firm must confer with the Public Management Sector Specialist or his designate on a bi-weekly basis, either by email or telephone correspondence.
- Monthly reports on the Consulting firm’s work plan will be submitted to the IDB and the two SAIs, covering objectives attained, setbacks encountered, and remedial measures to be applied to ensure that expected outcomes will be met. Monthly reports are expected on, or before, the 10th (working) day in the month following the end of the respective month.
- The IDB and the two SAIs will be required to provide feedback to the consulting firm, in writing, within 10 working days after receiving each report.

8. Acceptance Criteria

The first deliverable of an inception report should provide an accurate description of the preparatory and implementation processes for the training. When the work plan is reviewed there must be clear descriptions of the training workshop – the schedule of training sessions; the topics to be covered during each session; the learning outcomes for the session; its relationship to the planned pilot forensic audits and the modality by which the content will be delivered in light of public health safety precautions. The inception report must also include a training needs assessment of participating staff from each SAI that gauges their current competency levels and experiences with forensic auditing and focus areas for capacity building. Additionally, the inception report should detail any pre-training assignments and assessment tools to be completed by training participants. A draft inception report will be reviewed by the Inter-American Development Bank (IDB) Public Management Sector Specialist and, upon his approval, the approved inception report can be submitted by the consulting firm to facilitate the first payment under this contract. Both submission and approval of the draft inception report can be done via electronic correspondence. The approved inception report must be submitted in soft copy to the Public Management Sector Specialist, who will provide his acceptance of the deliverable via electronic correspondence.

The second deliverable of a training report should be in accordance with the approved inception report. The consulting firm should provide an accurate description of the preparatory and implementation processes for the training. To further verify the execution of the training sessions there should be daily log sheets taken at the end of each training day as well as an evaluation of the skill and/or knowledge acquisition of training participants based on their responses to a standardised assessment tool that was approved previously by the Public Management Sector Specialist. In addition, examples of exercises completed during the delivery of the

training sessions and photos of training participants during the training should also be submitted to the Public Management Sector Specialist via electronic correspondence. The Public Management Sector Specialist will provide his acceptance of these submissions via electronic correspondence.

The third deliverable of forensic audit manuals for the AuGD and AoG must be customised to reflect the unique circumstances of the respective SAI's mandate, legislative environment and organisational structures; while reflecting international requirements and best practices in the conduct of forensic audits. The draft forensic audit manuals will be reviewed by the Public Management Sector Specialist and, upon his approval, the approved manuals that reflects all comments from the Bank and the respective SAI will be submitted to facilitate the third payment for this consultancy. The approved manuals must be submitted in soft copy to the Public Management Sector Specialist, who will confirm his acceptance via electronic correspondence.

The fourth deliverable of a final report and presentation should incorporate feedback from participating audit team staff as well as recommendations on key next steps for continued institutionalisation of forensic audit practices. The final report must contain a general summary of the conduct and effectiveness of support activities completed under this consultancy that is a minimum twelve (12) pages in length and covers the key processes and decisions made related to establishing the respective SAI's operational effectiveness in conducting forensic audits arising from the pilot audits. The post-pilot final report should also include recommendations for future forensic audit training refreshers or capacity building exercises needed in support of the respective SAI's institutional mandate, with a clear description of the rationale for said activities, proposed delivery modalities and suggested sources for additional reference information. The draft final report and presentation will be reviewed by the Public Management Sector Specialist and, upon his approval of the draft final report and presentation, an approved final report and presentation that reflects all comments from the Bank and the two SAIs will be submitted to facilitate the final payment under this contract. The approved final report must be submitted in soft copy to the Public Management Sector Specialist, who will provide his acceptance of the deliverable via electronic correspondence.

9. Other Requirements

- The consulting firm will retain the relevant expertise in assessing the risk profiles of public sector organisations in the Caribbean.
- The wireless internet used by the consulting firm during the consultancy must have WPA2 encryption level and computer hardware must have minimum security practices including antivirus, antispyware and firewall solutions.
- The consulting firm will be expected to provide consultants with the relevant qualifications and experience to include the following minimum: Degree in Accounting, Finance, Business Management, Forensic Auditing, or related field and/or a member of a recognised Professional Accountancy Body and CFE certification; and a minimum of five years' experience in the execution of forensic audits and conducting forensic audit or related training.

10. Payment Schedule

Payments will be based on the submission of key documentation and the completion of technical assistance as approved by the Bank. Any feature of the deliverables not meeting the Bank's satisfaction will have to be reworked at no additional cost to the Bank. The proposed payment schedule for this consultancy is as follows:

DELIVERABLES		
No.	Description	Payment Percentage
1	Inception Report	20%
2	Forensic Audit Training Report	25%
3	Forensic Audit Manuals for AuGD and AoG	25%
4	Final Report and Presentation	30%

11. Supervision

The Consulting Firm will work under the direct supervision of the IDB Public Sector Management Specialist serving as Technical Lead for the Technical Cooperation Agreement, in coordination with the Auditor Generals within the respective SAIs.