

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3646-P001

Selection Method: Simplified competitive selection

Country: Suriname

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: Delivery of a financial audit course for the Rekenkamer of Suriname

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 2, 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 Sixty-five (65) non-consecutive days over an eight (8) 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 consultancy firm must provide consultants who are bilingual (Dutch/English). The consultancy firm must also retain the relevant expertise in financial auditing at the managerial level and demonstrated knowledge of the ISSAIs. Additionally, the consultancy firm is expected to have a good understanding of the Surinamese Government's financial management system and a thorough understanding of issues regarding external control of said system.

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.

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TERMS OF REFERENCE

CONSULTANCY FOR THE DELIVERY OF A FINANCIAL AUDIT COURSE FOR THE REKENKAMER OF SURINAME

1. Background

As institutions of accountability, Supreme Audit Institutions (SAIs) play a fundamental role in ensuring the transparency and integrity of public finance systems in the Caribbean. However, SAIs in the Caribbean are acutely aware of existing gaps in their investigative capacity and range of audit services. In Suriname, for example, the 2011 Public Expenditure and Financial Accountability (PEFA) report noted low scores (D) for effective external audits as it related to audit coverage and standards and submission of audit reports to the legislature. The 2017 report on the Supreme Audit Institutions Performance Management Framework (SAI-PMF) echoed these remarks for Suriname's SAI, the Rekenkamer (RvS), and found the institution's performance across the various performance criteria ranged between a score of 0 and a score of 2 on a scale of 0 to 4 (with 4 being the highest level of performance according to international standards and good practices). These findings are indicative that the RvS had not yet made the transition from its traditional function of controlling the regularity of government decisions to an external audit function, based on risk analysis, to identify systemic deficiencies in the country's financial management systems.

Whereas the COVID-19 global pandemic has necessitated even greater attention to the Rekenkamer's ability to manage fiduciary risks within the context of increased government spending to welfare services, recent developments have also created an opportunity for meaningful remedial action to address the aforementioned institutional deficiencies.

The passage of the new audit act (Wet op de Rekenkamer), which entered effect in January 2020, has provided the RvS with greater autonomy and institutional independence over key aspects of its financial and operational functions. The Bank therefore seeks to ensure that, in response to this broadened institutional mandate, sufficient capacity is present within the Rekenkamer to conduct financial audits of government agencies as well as audit the project audited financial statements (AFS) submitted by the Borrower and/or Executing Agency. Such capacity would be typified by providing an adequate presentation of financial transactions, the balances associated with execution of operations, and the use of funds by financing source¹.

2. Objective

The objective of this procurement is to enhance 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.

¹The AFS are to be prepared and presented in accordance with the applicable international accounting and auditing standards, as well as the Bank's requirements in the Financial Management Guidelines for IDB-financed projects (OP-273-12) (FM Guidelines).

3. Scope of Work

Consultancy category and modality: Firm

Estimated duration: Sixty-five (65) non-consecutive working days over an eight (8) month period

Place(s) of work: External location and Rekenkamer offices

The consultancy firm will facilitate the delivery of training content to Rekenkamer audit personnel related to financial audit techniques covering pre-engagement, planning, fieldwork and reporting. Training participants will explore methods and conduct learning exercises to understand audit principles, identification of the financial reporting framework, the transition from the status of audit processes currently to satisfactory implementation of audit practices in keeping with ISSAI requirements. 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 Rekenkamer personnel undertaking two (2) pilot financial audits. These two modalities will be complemented by the development of a financial audit manual, in accordance with ISSAI requirements, under this consultancy.

4. Key Activities

The consultancy firm is required to execute this activity as follows:

- a) Review documentation, to gain an understanding of the Rekenkamer, for use in this engagement. Such documentation includes previous PEFA reports, the SAI PMF report, and the 2019 new Audit Act (Wet op de Rekenkamer) and the Comptability Act of 2019
- b) Conduct a training needs assessment of Rekenkamer staff.
- c) Prepare and deliver a comprehensive financial audit training programs for Rekenkamer staff in accordance with the applicable International Standards of Supreme Audit Institutions (ISSAI). The training program must reflect and acknowledge the Audit Act of 2019 and the Comptability Act of 2019. The training program must also ensure financial audit processes arising from the training facilitate alignment of the national budget management process and (i) the Medium-term Development Plan of the Government; and (ii) the Sustainable Development Goals, where applicable.
- d) Formulate a financial audit manual in accordance with the applicable ISSAI and good practices, considering current International Organization of Supreme Audit Institutions (INTOSAI) guidance, in acknowledgement of the national financial laws and regulations.
- e) Coach and guide Rekenkamer staff in their planning, execution and reporting of two (2) pilot financial audits².
- f) Produce a final report, post-pilot, assessing the results and challenges of the overall consultancy as well as recommending additional capacity building exercises.

5. Deliverables and Expected Outcomes

The Consultancy firm shall prepare and submit the following reports in Dutch and English:

- 1) 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

² The desk review component for the budget report (B.R.) of the Government of Suriname (GoS) for year 2019 will be used to inform the selection of the two Ministries that will be the subject of the pilot financial audits.

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.

- 2) The execution of a comprehensive financial audit training course for Rekenkamer personnel, as evidenced by a post-training report that communicates details on the training process, an empirical measure of capacity development by training participants, evaluative feedback from participants on the training experience, and provides copies of training materials.
- 3) A customized financial audit manual for the Rekenkamer, prepared in accordance with the ISSAIs, INTOSAI guidance and relevant legislation such as the Audit Act of 2019 and the Comptability Act of 2019.
- 4) A final report and presentation summarizing details of the capacity building activities under this consultancy and sharing lessons learned during the support of Rekenkamer staff in conducting the pilot financial audits as well as recommendations for additional capacity building exercises. The final report should also include the draft pilot financial audit reports prepared by the Rekenkamer and related comments made by the consultancy firm, provided there are no unavoidable delays related to the tabling process.

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	Financial Audit Training Report	By the end of twelve (12) weeks
3	Financial Audit Manual for the Rekenkamer	By the end of twenty-eight (28) weeks
4	Final Report and Presentation	By the end of thirty-two (32) weeks

7. Reporting Requirements

- All reports shall be delivered electronically, with all supporting documentation in editable format.
- At a minimum, the consultancy firm must confer with the Public Management Sector Specialist or his designate on a bi-weekly basis, either by email or telephone correspondence.
- The IDB and Rekenkamer will be required to provide feedback to the consultancy 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 financial audits and the modality by which the content will be delivered especially in light of public health safety precautions. The inception report must also include a training needs assessment of the Rekenkamer staff that gauges their current competency levels and experiences with financial 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 IDB Public Management Sector Specialist and, upon his approval, the approved inception report can be submitted by the consultancy 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 consultancy 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 standardized assessment tool that must be 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 a financial audit manual for the Rekenkamer must be customized to reflect the unique circumstances of the Rekenkamer's mandate, legislative environment and organizational structures; while reflecting international requirements and best practices in the conduct of financial audits. The draft financial audit manual will be reviewed by the Public Management Sector Specialist and, upon his approval, an approved manual that reflects all comments from the Bank and the Rekenkamer will be submitted to facilitate the third payment for this consultancy. The approved manual 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 post-audit final must contain a general summary of the conduct of the pilot audits that is a minimum twelve (12) pages in length and covers the key processes and decisions made related to establishing the Rekenkamer's operational effectiveness in conducting financial audits arising from the pilot audits. The post-pilot final report should also include recommendations for future financial audit training refreshers or capacity building exercises needed in support of the Rekenkamer'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 will be reviewed by the Public Management Sector Specialist and, upon his approval of the draft final report, an approved final report that reflects all comments from the Bank and the Rekenkamer 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 consultancy firm must provide consultants who are bilingual (Dutch/English).

- The consultancy firm must retain the relevant expertise in financial auditing at the managerial level and demonstrated knowledge of the ISSAIs.
- The consultancy firm is expected to have a good understanding of the Surinamese Government’s financial management system and a thorough understanding of issues regarding external control of said system.

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	Financial Audit Training Report	25%
3	Financial Audit Manual for the Rekenkamer	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 President of the Rekenkamer.

