



REQUEST FOR EXPRESSIONS OF INTEREST

for the selection of a Consultant (Audit firm) to ensure "Audit of Accounts of the SWIOFish 1 & 2 project "

1. The Indian Ocean Commission (IOC) is an intergovernmental regional cooperation organization which brings together the Union of the Comoros, France, on behalf of Réunion, Madagascar, Mauritius and Seychelles. Its mission is to strengthen the bonds of friendship and solidarity between peoples and to contribute through regional cooperation to the sustainable development of its member states. The IOC has received grants from the World Bank to support both SWIOFish regional projects (SWIOFish 1 & 2). It intends to use part of this grant to make payments under the consultant service contracts that will be responsible for «Audit of Accounts of the SWIOFish 1 & 2 project».
2. The objective of the audit of the Program Financial Statement (PFS) is to enable the auditor to express a professional opinion on the financial position of the SWIOFish 1 and SWIOFish 2 projects at the end of each fiscal year) at the end of fiscal year 2019, 2020 and 2021 **for three years**. The auditor is also required to express separate opinions on the Statement of Expenditures (SOE's) and the Special Account (SA) for the funds received and expenditures incurred for period ending 31st December over the implementation period of the project. and expenditures for the year ended on 31st December. The first year of audit is 2019.
3. The Program Management Unit (PMU), at IOC, shall be responsible for the preparation of financial statements including adequate disclosure. The PMU shall prepare the statements in accordance with international applicable accounting standards – IRFS or IPSAS. The program account (books of account) provides the basis for the preparation of the PFS and is established to reflect the financial transactions in respect of the program, as maintained by the PMU. The audit shall be conducted at IOC with the Head of the Administrative and Finance Section being the key contact person.
4. 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.
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 - (a) World Bank financing (and all external financing where the World Bank is not the only financier) has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided – please see the relevant financing agreements are the Project: P132123 of USD 5,000,000 until 30th September 2021 (SWIOFISH1), and the Project: P153370 of USD 9,000,000 for a period of six years (SWIOFISH2), in the form of grants from IDA;
 - (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
 - (c) Goods and services financed have been procured in accordance with the relevant financing agreement, including specific provisions of the World Bank Procurement Policies and Procedures
 - (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify

that respective reports issued during the three years, from 1st January 2019 to 31 December 2021 with the underlying books of account.

6. The Indian Ocean Commission (IOC) now invites eligible consultants(Audit firm) to express their interest in providing the services described above. They must provide information justifying that they are able to implement the necessary expertise and perform the services in question (curriculum vitae, copies of diplomas and attestations, references concerning the performance of similar contracts, etc.).
7. The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank'sGuidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World BankBorrowers (January 2011Revised July 2014). ("Consultant Guidelines"), setting forth the World Bank's policy on conflict ofinterest.
8. A version of the terms of reference only in English is available on the website of the Indian Ocean Commission <http://commissionoceanindien.org>
9. Expressions of interest must be filed electronically in uncompressed format at the address below no later than Friday, January10, 2020 at 16:30(Mauritius time UTC+4):

e-mail: innocent.miada@coi-ioc.organdnjiva.r@coi-ioc.org

Reference: "Audit of Accounts of the SWIOFish 1 & 2 project (SW2/Y2-C012)"

10. Consultants(Audit firms) will be selected in accordance with the procedures set out in the World Bank Guidelines on Selection and Employment of Consultants.
11. The consultants (Audit firms) concerned may obtain further information from the Indian Ocean Commission (IOC) by sending e-mails to the addresses referred in paragraph 8.



INDIAN OCEAN
COMMISSION

**First South West Indian Ocean Fisheries Governance and Shared
Growth Program (SWIOFish1)**
and
**Second Project under Phase 1 of the South West Indian Ocean Fisheries
Governance and Shared Growth Program (SWIOFish2)**
Terms of Reference for Audit of Accounts

Assignment title	Audit of Accounts of the SWIOFish 1&2 project
Contract duration	3years
Primary assignment location	Indian Ocean Commission (IOC) head office at Ebène, Mauritius
Financed by	IDA
Project & Grant Number	SWIOFISH1: Project P132123; Grant No. H 995-3A SWIOFISH2: Project P153370; Grant No. IDA D1720

Mauritius, November 2019

1. Background

World Bank has been supporting various fisheries projects in the Africa Region. At the regional level, the most relevant of these is the South West Indian Ocean Fisheries Project (SWIOFP), which closed on March 31, 2013. The SWIOFP, which brought together all countries in the South West Indian Ocean (SWIO), including Kenya, Mozambique, South Africa, Seychelles, Comoros, Madagascar, Mauritius, France (non-beneficiary participant), Somalia (observer) and Tanzania, was successful in building regional capacity for fisheries management, including through establishing a network of fisheries researchers and managers, and developing a regional management framework. Ultimately the Member countries of the South West Indian Ocean Fisheries Commission (SWIOFC) agreed to reform the Commission, promoting it from an advisory body to a Regional Fisheries Management

Organization (RFMO) of the Coastal States – enabling it to take binding decisions on fisheries management, and to negotiate in bloc with Distant Water Fishing Nations, among others.

Given the important achievements of SWIOFP, SWIOFC Member Countries have requested a follow-on program namely – the South West Indian Ocean Fisheries Governance and Shared Growth Program (SWIOFish Program).

The proposed program is Series of Projects (SOP), over a 15-years period, using IDA and blended GEF resources, together with parallel support from other donors and trust funds. It is a regional umbrella and a combined approach targeting both regional and national fisheries priorities, to support regional integration of fisheries management, while expanding the approach beyond research and sound fisheries management to strengthen sector governance and harness the value of coastal and marine fisheries to national economies. Given the importance of sound fisheries management to livelihoods and economic growth, the SWIO coastal countries have decided to all participate in the SWIOFish Program through a regional platform hosted by the SWIOFC and supported by the Indian Ocean Commission (IOC).

A Financing Agreement (Grant No. H 995-3A) was signed between the International Development Association (IDA) and the Indian Ocean Commission (IOC) on the 08th May 2015 to support the First South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish1) for 6 years.

Another Financing Agreement (Grant No. D1720) was signed between the International Development Association (IDA) and the Indian Ocean Commission (IOC) on the 30th May 2017 to support the Second South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish2) for 6 years.

2. SWIOFish Program and Projects Objectives and Components

2.1 – SWIOFISH1 - The Program Development Objective of the SWIOFish1 Program is “to increase the economic, social, and environmental benefits of SWIO countries from marine fisheries. The program targets growth and poverty reduction and strengthening of institutional and private sector capacities of the fisheries sector.

The SOP Development Objective-level Results Indicators of the Project are as follows:

- a) Reduce the degradation of the status of fish stocks;

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- b) Increase in the fisheries-related GDP in participating countries; and
 - c) Increase in local fisheries-related value-addition benefitting to the households.

The Project Development and Global Environmental Objectives of the first six-year phase of the Program (the SWIOFish1 Project) are to improve the management effectiveness of selected priority fisheries at regional, national and community levels, by strengthening the institutional capacity of regional organizations, governments and selected coastal communities to effectively manage selected priority fisheries. SWIOFish1 would establish the core human and institutional competencies and framework that are necessary for fisheries management and prepare for any major public and public/private capital investments required. Moreover, at the regional level the Project would consolidate and strengthen regional cooperation on fisheries and marine resource management, through improved management of transboundary fisheries, strengthen regional fisheries institutions, and promote knowledge exchange and capacity development.

The project will be implemented through four components:

- Component 1 – *Enhanced regional collaboration;*
- Component 2 – *Improved governance of priority fisheries;*
- Component 3 – *Increased economic benefits from priority Fisheries;*
- Component 4 – *Program management and coordination.*

2.2 – SWIOFISH2 - The Project Development Objective is to improve the management of selected priority fisheries at regional, national and community levels and to increase access by targeted fishers to alternative livelihood activities.

A regional component 1 consists of three core activities: (1.1) support to the implementation of IOTC resolutions in the SWIO countries; (1.2) support to the coordination between African and Indian Ocean Developing Island States (AIODIS); and (1.3) support to the newly created *Fédération des Pêcheurs Artisans de l'Océan Indien*, FPAOI (Indian Ocean Federation of Artisanal Fishers).

The first sub-component expands on the support to regional coordination implemented under the SWIOFish1 by targeting the management of tuna and tuna-like species through the Indian Ocean Tuna Commission (IOTC). It is built upon the Global Partnership for Oceans Development Grant Facility experience of providing support to SWIO coastal State in implementing Port States Measures designed to fight illegal fishing at the international level. It provides for long-term technical and administrative assistance to the IOTC to provide support and training to the SWIO States for implementing IOTC resolutions for sustainable tuna fisheries management, in particular IT/database developer/ programmer and Monitoring, Control and Surveillance, and fishery science expertise to support IOTC compliance process.

The second sub-component supports the group of African and Indian Ocean Island Developing States (Cabo Verde, Guinea Bissau, São Tomé & Príncipe, Comoros, Mauritius, Madagascar, Maldives and Seychelles) in collaborating and sharing their own experiences to address some of their specific challenges such as improving the sustainable management of their vast maritime territory; innovating and developing their blue economy in the context of climate change; and collaboratively mobilizing financing for addressing those challenges. Activities include the organization of high-level meetings to discuss specific challenges and issues of regional interest; the creation and exchange of knowledge; the provision of a preparation facility for project proposal; and a support to the AIODIS Secretariat to be hosted by the IOC.

The third sub-component facilitates coordination and strengthen the participation of the artisanal fisher associations in the SWIO region in the regional and international fora as well as support a more inclusive policy and management design. This sub-component lays the necessary foundations to help facilitate

trainings, increase coordination, apprenticeships and other opportunities to help improve the livelihoods of artisanal fishers across the region. Activities include support to: (i) the FPAOI secretariat capacity strengthening; (ii) statutory meetings and regional consultations; (iii) participation in regional and international key events in regional fisheries bodies' meetings; (iv) a fisher exchange program among participating national fishers' organizations.

A dedicated sub- component (1.4) with support project management at the regional level. The Finance and Procurement Units (FPU) housed in the IOC are responsible for the administration of the regional project funds and related fiduciary aspects. The costs associated with the management and coordination at the regional level are supported by a regional IDA grant. Activities supported include monitoring and evaluation, audits, mid-term and final evaluation reports, and costs associated with core operational functions, as well as regional project coordination. The entire component 1 is managed by IOC.

3. Project Beneficiaries

3.1 – SWIOFISH1-
The main Project beneficiaries are the coastal artisanal fishing communities of the SWIO region, with a focus on Comoros, Mozambique and Tanzania as well as the Secretariat General of the Indian Ocean Commission.

3.2 – SWIOFIS2 -The main Project beneficiaries are the regional component (1.) including the Indian Ocean Tuna Commission (IOTC), the African and Indian Ocean Developing Island States (AIODIS), the Indian Ocean Federation of Artisanal Fishers (Fédération des Pêcheurs Artisans de l'Océan Indien- FPAOI) as well as the Secretariat General of the Indian Ocean Commission, see the above paragraph.

4. Objective

The objective of the audit of the Program Financial Statement (PFS) is to enable the auditor to express a professional opinion on the financial position of the SWIOFish 1 and SWIOFish 2 projects at the end of each fiscal year) at the end of fiscal year 2019, 2020 and 2021 **for three years**. The auditor is also required to express separate opinions on the Statement of Expenditures (SOE's) and the Special Account (SA) for the funds received and expenditures incurred for period ending 31st December over the implementation period of the project. and expenditures for the year ended on 31st December. The first year of audit is 2019.

The Program Management Unit (PMU), at IOC, shall be responsible for the preparation of financial statements including adequate disclosure. The PMU shall prepare the statements in accordance with international applicable accounting standards – IRFS or IPSAS. The program account (books of account) provides the basis for the preparation of the PFS and is established to reflect the financial transactions in respect of the program, as maintained by the PMU. The audit shall be conducted at IOC with the Head of the Administrative and Finance Section being the key contact person.

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 the:

- (a) World Bank financing (and all external financing where the World Bank is not the only financier) has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided – please see the relevant financing agreements are the Project: P132123 of USD 5,000,000 until 30th September

2021 (SWIOFISH1), and the Project: P153370 of USD 9,000,000 for a period of six years (SWIOFISH2), in the form of grants from IDA.:

- (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- (c) Goods and services financed have been procured in accordance with the relevant financing agreement, including specific provisions of the [World Bank Procurement Policies and Procedures](#)
- (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the three years, from 1st January 2019 to 31 December 2021 with the underlying books of account. The approximate expenditure per year would be:

	SWIOFISH1	SWIOFISH2
2019	USD 640,000	USD 2,783,800
2020	USD 823,410	USD 2,783,800
2021	USD 600,000	USD 1,170,800

**The last audit report for SWIOFISH1 cover the period from 1st January 2021 to 30 September 2021.*

- (e) Designated Accounts (if used) 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;
- (f) National 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;
- (g) Financial performance of the project is satisfactory.
- (h) Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement.
- (i) 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 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;

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- c) **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) A statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds separately, and of expenditures incurred;
- (b) A summary of the activity in the Designated Account;
- (c) A Balance Sheet (if deemed necessary);
- (d) A Summary of the principal accounting policies that have been adopted, and other explanatory notes;
- (e) 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. Statements of expenditures

In addition to the audit of the PFSs, the auditor is required to verify all SOEs or 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 SOE or IFR withdrawal applications by specific reference number and amount.

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

8. Special Accounts

In conjunction with the audit of the Program Financial Statement, the auditor is also required to prepare Special Account reconciliation and audit the activities of the Special Accounts associated with the Program. The Special Accounts usually comprise but is not limited to:

- deposits and replenishments received from the Bank
- payments substantiated by withdrawal applications
- interest that may be earned from the balances and which belong to the recipient of the grant; and
- the remaining balances at the end of the fiscal year.

The auditor must form a separate opinion as to the degree of compliance with the Bank's procedures and the balance of the Special Account at the year-end. The audit should examine the eligibility and correctness and financial transactions during the period under review and fund balances at the end of such period, the operation and use of the SA in accordance with the financing agreement, and the adequacy of internal controls for this type of disbursement mechanism.

For the program, the deposits to Special Accounts would be in reference to the grant of USD 5,000,000 (SWIOFISH1) and USD 9,000,000 (SWIOFISH2) between IDA and the IOC. Special Account statement and the Auditor's opinion thereon should accompany the Program Financial Statements.

9. Internal Control System

The auditor is required to perform an in-depth and comprehensive review of the program internal control system. Such review would be larger in scope than what is normally required for ordinary audits. The objective of the review is to provide the auditor with sufficient understanding of the rules and procedures of the internal control system, including the existing administrative, accounting, financial and budgetary Manual of procedures, and to determine whether the said rules and procedures are adequate, reliable and operating correctly. In this vein, the auditor should assess with particular attention and determine whether: i) the computerised financial, accounting and reporting system in place is appropriate; and ii) the accounting and financial staff within the PMU is capable of managing the program efficiently using computerised system. The findings and observations of the auditor should be presented in a separate report, the Management Letter, addressed along with the audit report to the representative of IDA. The Management Letter should highlight all weaknesses in the program internal control system, assess the inherent risks associated with the internal control shortcomings, and make practical and relevant recommendations to improve the system as well as to enhance the managerial skills and capability of the accounting and financial staff. In the Management Letter the auditor will inter-alia:

- (a) give comments and observations on the accounting records, systems and controls that were examined during the course of the audit.
- (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
- (c) report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (d) communicate matter that have come to the attention during the audit which might have a significant impact on the implementation of the program; and
- (e) bring to the borrower's attention any other matters that auditors considers pertinent.

10. 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 internal control weaknesses and non-compliance with the financing agreement terms.

OPTIONAL OPINIONS (To be included as appropriate, i.e. based on project FM risk, complexities, governance issues, etc as identified during the Financial Management Assessment)

<i>Special Opinion</i>	<i>Possible Rationale</i>
<i>Provision and usage of Counterpart Funds (CF).</i>	<i>Past poor compliance with financing agreement terms relating respect to the provision and usage of CF or abuse of CF in the country or sector or Inadequate provision or inappropriate usage of Counterpart funds) could affect the successful implementation of the project.</i>
<i>Entities that received funds met eligibility criteria</i>	<i>A component or components of the project involves transferring/releasing of funds to only entities that meet certain eligibility criteria or Where Aide Memoire, FM supervision, technical audit reports or previous experience in sector points to non-compliance with Financing agreement terms</i>

	<i>relating to eligibility criteria or If entities receiving funds do not meet eligibility criteria, project implementation will be impacted adversely</i>
<i>Use of Funds by Communities and Decentralized Entities</i>	<i>Where funds are transferred to communities and decentralized entities under the project, and the assessed risk for this activity is high or substantial.</i>
<i>Use of Funds by NGOs</i>	<i>Where significant amounts of fund are transferred to NGOs and the assessed risk for this activity is high or substantial.</i>
<i>Use of Funds by line Ministries</i>	<i>Where significant amounts of fund are transferred to several line ministries and the assessed risk for this activity is high or substantial.</i>
<i>Delivery of specified/agreed outputs/services</i>	<i>Where a project is designed around a series of verifiable output/service levels to be achieved and disbursements are, at least in part, related to these outputs/services (e.g. a power company that is expected to increase power generation to certain specific levels in each quarter, year or specified date)</i>

11. Management Letter

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

- (a) Give comments and observations on the accounting records, systems and controls that were examined during the audit;
- (b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
- (c) 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;
- (c) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project;
- (d) Give comments on the extent to which outstanding issues/qualifications issues have been addressed;
- (e) Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
- (e) Bring to the recipient's attention any other matters 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.

The auditor should submit the audit report (short form) and Management letter to the Administrative and Finance Section of the Indian Ocean Commission within one month after the end of the course of the audit. The latter would then transmit one copy to the Bank, implementing agency on behalf of IDA, no later than 30th June of each year.

12. General

The auditor will be given access to and should consult all legal documents; PAD, supervision reports, quarterly reports, correspondences, and any other information associated with the Program and deemed necessary by the auditor.

It is highly desirable that the auditor becomes familiar with a copy of the Bank's guidelines on financial Reporting and Auditing of Projects financed by the World Bank and the Bank's

Financial Accounting, reporting and Auditing Handbook – FARAH ed. 2004, which summarise the Bank’s financial reporting and auditing requirements. The auditor should also be familiar with the Bank’s Disbursement Manual and guidelines issued in May 2006.

13. Qualification and experiences

- a) The firm must have at least five (05) years of experience in auditing of the external aid operations financed by the donors.
- b) The firm must be registered in the country in which he is located and adhered to all legal requirements to operate.
- c) The firm must demonstrate that he employs adequate staff with appropriate professional qualifications and suitable experience in accounting and auditing the accounts of the Projects/ Organizations financed by the donors:
 - Team Leader: must be a qualified accounting expert with a relevant university qualification and at least 10 years professional experience in external aid’ audits. An experience in auditing the accounts of the projects/ Organizations financed by World Bank would be an added advantage.
 - Audit Assistants: must be the firm’s staff at least 5 years standing with the firm. They must have at least a Licence in management and two (02) years professional experience in external aid’ audits at least. An experience in auditing the accounts of the projects/ Organizations financed by World Bank would be an added advantage.
 - The auditors must be completely impartial and independent from all aspects of management and financial interests
- d) The following documents are mandatory requirements for all proposal submissions:
 - A copy of Certificate of Business’s Registration
 - Valid Tax Compliance certificate
 - Audited Accounts for the last 3 years

Detailed CVs of the Team leader and Assistants. The CVs shall include details of audits carried out by the concerned staff, including ongoing assignments indicating capability and capacity to undertake the audit and copy of highest-level diplomas.