



TERMS OF REFERENCE

FINANCIAL AND ADMINISTRATIVE AUDIT OF ECOWAS-SPAIN MIGRATION AND DEVELOPMENT FUND

2017, 2018, 2019, 2020, 2021, 2022 and 2023

(Final Audit)

1.0 Introduction

In order to formalise the Common Approach adopted by ECOWAS Member States, Spain and ECOWAS have decided to harmonise their cooperation efforts to create an ECOWAS-Spain Migration and Development Fund.

The Fund was set up to facilitate sustainable poverty eradication in the ECOWAS region through regional integration and capacity building. Specifically, the Fund provides support for Civil Society Organizations (CSOs) and ECOWAS Member States' institutions for their common projects on migration and development in order to maximize benefits and limit the negative consequences of these migrations on migrants.

Within the framework of the implementation of this project financed by Spain and the ECOWAS Commission, the Commission intends to recruit an Audit firm to carry out the financial audit of the Fund.

2.0 Audit Background and Justification

The Annual Audit is a contract clause in the Agreement between Spain and ECOWAS. Article 4.1 of the "TECHNICAL DOCUMENT FOR ADMINISTRATION AND MANAGEMENT OF THE MAEC/ECOWAS FUND ON MIGRATION AND DEVELOPMENT" provides for the recruitment of an independent and qualified external auditor.

The Audit involves the verification of financial reports and the auditor's opinion thereof. The External Auditor will also provide a management report on the internal control systems of beneficiaries of the grant over the Fund.

These terms of reference are prepared for the conduct of the Fund's Final audit exercise in respect of years; **2017, 2018, 2019, 2020,2021, 2022 and 2023.**

3.0 Objectives of the Audit Mission

The Audit's overall objective is to ensure viability of the Fund's procedures, accuracy of accounts and expenditure. Through the exercise, the auditor will be able to express an opinion on the following factors:

The financial report is expected to be accurate in all the significant aspects of expenditure and income actually received in the course of the financial years in accordance with the applicable contract terms

- Resources allocated to the Fund by Spain and the ECOWAS Commission have, in all their relevant aspects, been used in accordance with the applicable contract terms.
- The internal control systems set up and used to manage risks involved in the implementation of the project objectives was adequately designed and effectively implemented during the **2017, 2018, 2019, 2020,2021, 2022 and 2023 financial years.**

4.0 Specific Objectives

This will involve:

- Analyzing errors and omissions observed in the implementation of activities under the Fund during the period under review on the financial, accounting and administrative levels.
- Making concrete proposals for improvement.
- Validating issues indicated in the reports.

5.0 Expected Outcome

At the end of the mission, a report with the following outcomes is expected to be prepared;

- Consideration of administrative and financial procedures set up;
- Consideration of Financial reports established (Statements of income and expenditure, cash flow indicating sources and fund utilization);
- Auditing of background and cash flow documents through:
 - o Control of compliance with income and expenditure in line with the project's fundamental documents (compliance with budget lines and envisaged use);
 - o Bank reconciliation statements and physical cash control;
 - o Auditing of tender procedures (compliance with competitive bidding, advertisement, sorting and required support);
 - o Inventory of fixed assets audited and reviewed;
 - o A management report on the internal control systems of beneficiaries of the grant over the Fund.

6.0 Audit Exercise

6.1 Service Consistency

In line with the objectives of the aforementioned audit, services shall be carried out in two (2) phases:

- Development of the audit methodology and instruments
- Analysis of results and report writing.

The Auditor shall decide, by mutual agreement with the Directorate of Financial Reporting and Grants of the ECOWAS Commission on the methodology and programme of the audit exercise.

The Audit must meet international audit standards (IAS), standards prepared by the International Organization of Supreme Audit Institutions (INTOSA) in so far as these standards may be applicable.

6.2 Team Composition, Qualifications and Experience

The Audit shall be conducted by an Accounting and Auditing firm. The firm to be hired must be affiliated to the body of chartered accountants in the country of operation.

For the Audit Exercise, the firm must propose a bilingual team (French and English) comprising:

- One (1) Expert in Accounting and Financial Auditing of Programmes/Projects, Manager, Head of Mission, who holds at least a Master's degree, with six (6) years experience (see items 10 and 15;
- One (1) Auditor, who holds a Bachelor's degree with four (4) years professional experience.

In addition, these experts should be chartered and hold membership of any accounting professional body (ACCA, ICA, CIMA, CPA....)

The Consulting Firm must have proven experience in similar assignments. The report must be signed by a Chartered Accountant.

6.3 Financing

Resources for the Audit shall be derived from the ECOWAS/Spain Fund on Migration and Development.

6.4 Duration and Venue of the Mission

The Audit Exercise must not exceed two (2) months. A comprehensive timetable will be prepared by the Audit Firm for the exercise.

The Audit shall be carried out in Abuja, Federal Republic of Nigeria and outside Abuja would be field visits of sample selected sites (Member States, Civil Society Organizations and National Platforms).

6.5 Reports

The reports to be submitted include:

- **An annual draft report**, stating the entire aspects and tasks of the mission assigned to the firm, containing conclusions and recommendations. ECOWAS has up to Fifteen (15) days within which to work on the draft reports.
- **An annual final report**. The structure and composition of the final reports shall be identical to the draft report. They shall take into consideration all corrections and comments made.
- **Finally, a consolidated final report for 2017, 2018, 2019, 2020,2021, 2022 and 2023. must be ready before 15 July 2023.**

The Consultant shall submit an electronic English version of each report.

6.6 Time Table

The mission's timetable shall be prepared by the two parties after signing the contract.