

**REQUEST FOR EXPRESSION OF INTEREST (REOI)**

Assignment Title	Engagement of a Firm for External Audit
Date	17 th January 2024.
Project	Monitoring and Evaluation Support for Nigeria for Women Project (NFWP) - P177941
Grant Number	TF0B9785-NG
Reference Number	NG-M AND E SUPPORT-366037-CS-CQS
Country	Nigeria
Duration	Contract signing date – 31 st December, 2024
Category	Consulting services
Location	FCT, Abuja.

A. Diadem Consults Initiative Ltd/GTE has received financing from the International Bank for Reconstruction and Development] (the “Bank”) toward the cost of the Monitoring and Evaluation Support for Nigeria for Women Project (NFWP) and intends to apply part of the proceeds for consulting services, toward payments under the contract for engagement of a firm for external audit.

Diadem seeks to engage an External Audit Firm for audit of the Project Financial Statements (PFSs) for the fiscal year from January 1st to December 31st, 2023. The objective of the audit of the Project Financial Statements (PFSs) is to enable the Auditor to express a professional opinion(s) on the financial position of the project at the end of the 2023 fiscal year and on funds received and expenditures incurred for the relevant accounting period.

B. Diadem Consults Initiative Ltd/GTE now invites eligible audit firms (“Consultants”) to express their interest in providing the services.

C. The interested Audit Firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the services outlined in the Terms of Reference (TOR).

D. The Audit Firm will be selected based on their relevant experience, qualifications, and capability to carry out the assignment. Some of the eligibility requirements include the following among others.

- i. Evidence of Firm’s business name or Certificate of incorporation issued by Corporate Affairs Commission (CAC) including form CAC2 & CAC7
- ii. Evidence of Company’s Tax Clearance Certificate for the last three (3) years





- iii. Firm's Profile, with Curriculum vitae of relevant professionals to be deployed for the exercise, including copies of their academic and professional certificate e.g. ICAN.
- iv. Verifiable documentary evidence of similar audit exercise successfully completed, including letters of Audit engagement.
- v. Evidence of firm's registration with relevant regulatory professional body e.g. ICAN

E. Applications to be submitted by the firms will be evaluated against the following criteria:

- i. Consultants' general qualification.
- ii. Relevant experience and qualification of key staff.
- iii. Relevant competence and experience of the firm.
- iv. Experience in the region and sector.

F. The detailed Terms of Reference (TOR) indicating the scope of the task to be performed as well as the services required of the selected firm are attached.

G. Diadem Consults Initiative Ltd/GTE will make available the necessary information concerning this assignment. You may obtain further clarification from:

Name: Obidiegwu Blessing
Address: No. 4 Ikole Street, Area 11, Garki Abuja.
Email: diademcon.procurement@gmail.com

H. The attention of the consultant is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants [under IBRD Loans and IDA Credits & Grants] by World Bank Borrowers, setting forth the World Bank's policy on conflict of interest.

I. Submission of Documents:

- All documents are to be submitted to Diadem Consults Initiative Ltd/GTE. via email to diademcon.procurement@gmail.com or to Diadem's official address; No. 4 Ikole Street, Area 11, Garki, Abuja in a sealed envelope.
- All documents for submission must be transmitted with a covering/forwarding letter under the firm's letter head paper bearing amongst others, the Registration number (RC) as issued by Corporate Affairs Commission (CAC), Contact Address, Telephone numbers (preferable GSM No.) and E-mail Address, duly signed by the authorized officer of the firm.

J. Guidance on shortlisting: Only Audit Firms on the World Bank's approved list will be evaluated. See last page of this document/attached link for details: [Approved list of Audit Firm.pdf](#)

K. All expression of interest must be submitted on Tuesday, 30th of January 2024.





TERMS OF REFERENCE

Location: Abuja, FCT.

Contract Duration: Contract signing date – December 2024

Background

Diadem Consults Initiative Ltd./GTE is a development organization focused on improving the growth and development of populations through strengthening governance and democratic processes, implementation of sustainable programs and conduct of empirical research to generate evidence to inform policies and program implementation.

Through a grant from the World Bank for improved M&E systems and capacity, Diadem Consults Initiative Ltd./GTE is supporting The Nigeria for Women Project (NFWP), a World Bank-Funded project of the Federal Government of Nigeria to support improved livelihoods for women in targeted areas of Nigeria and focused on creating an enabling environment for women to overcome institutional failures (including market) and barriers to enhance productive livelihoods and socioeconomic advancement. NFWP is currently being implemented at the Federal level and in Six (6) states: Abia, Taraba, Ogun, Niger, Kebbi, and Akwa Ibom (three LGAs per State, based on agreed criteria, with the possibility of more states being added in the future).

Diadem Consults Initiative Ltd./GTE was competitively selected to implement the grant project “M&E Support to NFWP” (P177941) which aims to support NFWP and all future phases of the Nigeria for Women Program. The grant has four components: (1) M&E System Development and Support; (2) Iterative Beneficiary Monitoring (IBM) and Responsive Feedback Monitoring (RFM); (3) Capacity Building, Knowledge Management, Sharing and Learning.

As part of support of the grant project “M&E support to NFWP”, Diadem Consults Initiative Ltd./GTE is looking for a firm to be engaged as External Auditor for the audit of the Project Financial Statements (PFSs).

The accounting period to be covered by this external audit exercise is for the 2023 project year.

2. OBJECTIVE OF THE PROJECT AUDIT

The objective of the audit of the Project Financial Statements (PFSs) is to enable the Auditor to express a professional opinion(s) on the financial position of the project at the end of the 2023 fiscal year, and on funds received and expenditures incurred for the relevant accounting period. The project books of accounts provide the basis for preparation of the PFSs by the project implementing Organization and are established to reflect the financial transactions in respect of the project. Diadem Consults Initiative Ltd./GTE maintains adequate internal controls and supporting documentation for transactions.





3. PREPARATION OF THE 2023 ANNUAL FINANCIAL STATEMENTS

The responsibility for the preparation of 2023 Annual Financial Statements, including adequate disclosure is that of Diadem Consults Initiative Ltd./GTE. Diadem Consults Initiative Ltd./GTE is also responsible for the selection and application of accounting policies. Diadem would prepare the PFSs in accordance with International Financial Reporting Standards.

The Auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the Audit Process, the auditor may request from Diadem Consults Initiative Ltd./GTE written confirmation concerning representations made in connection with the audit.

4. SCOPE OF THE AUDIT

As stated above, the audit of the project, which shall cover a period of one year from January 1, 2023 to December 31, 2023, 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 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.
- (b) Goods, works, and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Policies and Procedures.
- (c) Training/Workshops/Study Tour expenditures, where incurred in compliance with the established policy and there is value for money.
- (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 period were in agreement with the underlying books of account.
- (e) Designated Accounts 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. financial procedures manual, operational 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 organization 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 particular 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 a performing audit procedure, evaluating, and reporting the results, consider that non-compliance by the implementing organization 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.
- c). **Governance:** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with governance.
- d). **Risks:** To reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the Financial Statement level, design and perform further audit procedures to respond to assessed risks at the assertion level as required by ISA 330: The Auditor's Procedures in response to assessed risks.

5. PROJECT FINANCIAL STATEMENTS (PFSs)

The Auditor should verify that the project PFSs have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 Minimum content of the Project Financial Statements (PFSs):

- (a) A statement of funds received, showing funds from the World Bank and of expenditures incurred.
- (b) Statement of sources and application of funds.
- (c) A summary of the activity in the Designated Account.
- (d) A statement of comparison between the actual expenditures and the budget estimates
- (e) Cumulative status of funds by category
- (f) A summary of the principal accounting policies that have been adopted, and other explanatory notes.
- (g) A Statement of Financial Position and Other statements or disclosures relevant to the project
- (h) Notes accompanying the financial statements.
- (i) 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. As part of that reconciliation the Auditor will indicate the procedure used for disbursement (Special Accounts (SA) funds, special commitments, reimbursement, or direct payment) and indicate whether the expenditure is fully documented or uses the Summary of Expenditures format.

6. STATEMENT OF EXPENDITURES (SOEs)/UNAUDITED INTERIM FINANCIAL REPORTS (IFRs)

In addition to the audit of the PFSs, the Auditor is required to verify all SOEs or IFRs used as 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. The auditor’s opinion should deal with the adequacy of the procedures used by the project for preparing SOEs and should include a statement that amounts withdrawn from the project account on the basis of such SOEs were used for the purposes intended under the agreement.

7. DESIGNATED ACCOUNT/ SPECIAL ACCOUNTS (DA/SA)

In conjunction with the audit of the project PFSs, the Auditor is also required to review the activities of the DA/SA associated with the project. The DA/SA usually comprises:

- Advance deposits received from World Bank.
- Replenishments substantiated by withdrawal applications.
- Interest that may have been earned on the outstanding balances, and the year-end balances, and
- Withdrawals related to project expenditures.

- The Auditor should pay particular attention as to the compliance with the Bank’s procedures and the balances of the designated Accounts at the end of the fiscal year (Or period). The Auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, the adequacy of internal controls within the project appropriate for this type of disbursement mechanism and the use of correct exchange rate(s) to convert local currency expenditures to United States dollars.

The auditor should also examine the eligibility and correctness of:

- Financial transactions during the period under review.
- Account balances at the end of such a period.
- The operation and use of the designated Account in accordance with the financing agreement; and
- The adequacy of internal controls for the type of disbursement mechanism.





8.0 AUDITOR'S EXPERIENCE AND QUALIFICATIONS

The Audit Firm should be registered as authorized to practice in Nigeria and have partners with practice licenses from a national professional accountancy body with IFAC membership. The firm should have relevant experience in accounting and auditing of development projects, especially donor – funded operations.

8.1 QUALIFICATIONS AND EXPERIENCES OF KEY AUDIT PERSONNEL

The key Audit Personnel will consist of minimum the Senior Auditor and Associate Auditor.

Required Qualifications and Experience of the Senior Auditor

The Senior Auditor must be a graduate of a recognized University/Polytechnic and should possess the following qualifications and experiences;

- a) At least Seven (7) year of audit experience, including at least two (2) years of experience in the audit of international donor funded projects.
- b) Bachelor's degree or equivalent in Finance, Accounting, Economics, or related field.
- c) ACCA/ACA/CMA/CPA qualification
- d) Proficiency in using accounting software and computer business desktop applications (e.g. MS Word, Excel).
- e) Experience with QuickBooks software will be an asset.
- f) Strong inter-personal skills, demonstrated team leadership qualities and excellent oral communication skills; and
- g) Fluency in written and spoken English.

Required Qualifications and Experience of the Associate Auditor

The Associate Auditor must be graduate in Finance, Accounting, Economics or related field from a recognized University/Polytechnic and should possess the following additional experience;

- a) At least three (3) years of audit experience
- b) Proficiency in using accounting software and computer business desktop applications (e.g. MS Word, Excel)
- c) ACCA/ACA/CMA/CPA qualification.
- d) Experience with QuickBooks accounting software will be an asset.
- e) Strong inter-personal skills, demonstrated team leadership qualities and excellent oral communication skills; and
- f) Fluency in written and spoken English.

9.0 DELIVERABLES

The deliverables for this assignment are Audit report and management letter.

S/N	Detail	Deadline For Submission
1	Audit report	30 th April 2024
2	Management letter	30 th April 2024





9.1 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 key internal control weaknesses and non-compliance with the financing agreement terms where applicable.

The Auditor will in addition, provide special opinion on the expenditures incurred on training/workshop and identify any expenditure that is considered ineligible, based on established policy.

9.2 MANAGEMENT LETTERS

In addition to the Audit Report, the Auditor will prepare 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.
- (d) Comment on economy, efficiency, and effectiveness in the use of project resources.
- (e) Comment on legal and financial obligations and commitments of the project and the extent of compliance or non-compliance thereof.
- (f) Comment on systems and procedures such as improvements in accounting, information technology or computer systems, and operations that may be under development, on which the auditor's comments are necessary to ensure effective controls.
- (g) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project.
- (h) Give comments on the extent to which understanding issues/qualifications issues have been addressed.
- (i) Bring to the recipient's attention any other matters that the Auditor considers pertinent, including ineligible expenditures.
- (j) Ideally, the management letter should also include responses from the implementing organization to the issues highlighted by the Auditor.

10. AVAILABLE INFORMATION

The Auditor should have access to all legal documents, correspondence, and any other information associated with the project and deemed necessary by the Auditor. The Auditor will also obtain confirmation of amounts disbursed and outstanding at the Bank. Available information should include among others copies of the relevant: Project Appraisal Document; Financing Agreement; Financial Management Assessment Reports; Project Implementation Manual; Financial Management Manual; Supervision Mission Reports;





Organizational charts along with names and titles of senior managers; Implementation Status Reports and Copies of the annual work programme and budget.

11. GENERAL

The financial statements including the audit report, management letter and management response should be received by the Bank no later than six (6) months after the end of the accounting year to which the audit relates.

The Auditor should submit the report to Diadem Consults Initiative Ltd./GTE through the Project Accountant rather than to any staff member of the project entity. Diadem Consults Initiative Ltd./GTE will then promptly forward two copies of the audit report and accompanying statements to the Bank together with the management letter and response.

It is highly desirable that the Auditor becomes familiar with the Bank's Guidelines on Annual Financial Reporting for World Bank – Financed Activities, which summarizes the bank's financial reporting and auditing requirements. The Auditor should be familiar with World Bank procurement regulation dated September 2023. These documents are available on the Bank's Website (<http://www.worldbank.org>).



**APPROVED LIST OF AUDIT FIRM**

Serial No	Audit Firm
1	Deloitte & Touche
2	Grant Thornton Nigeria
3	KPMG Professional Services
4	PKF Professional Services
5	ANOC Professional Services (Formerly Alatta Nzewi Oyeka & Co).
6	BDO Professional Services
7	Baker Tilly Nigeria
8	BBC Professionals
9	TAC Professional Services
10	Mazars Nigeria (Formerly Ojike & Partners)
11	SIAO Partners
12	Pedabo Audit Services
13	S. S. Afemikhe & co.
14	Ahmed Bawa and Co.
15	HLB Z. O. Ososanya & Co.
16	Sulaimon & Co.
17	Ecovis OUC (Formerly Kreston OUC)
18	Olufemi Adeniji and Company
19	EjehSheiduTokula & Co.
20	RFR Professionals
21	Abdulmalik Ahmed & Co.
22	Anjous, Uku, Eweka and Co.
23	ATACOFF Services LLP

