

**Multi Donor Trust Fund administered by the World Bank, Project "Strengthening the capacity of the Court of Accounts of the Republic of Moldova"
Grant TF 014332**

**Terms of Reference
Individual consultant in performance audit**

I. Background

1.1. General provisions.

Under the Republic of Moldova-European Union Action Plan, Moldova has undertaken to create a supreme audit institution, which will fully comply with international standards and EU best practice for external audit in the public sector. To meet these commitments, the Court of Accounts (CoA), supported by the World Bank (WB) and the Swedish National Audit Office (SNAO), has successfully implemented the first Strategic Development Plan for the period April 2006 - December 2010, where the activities thereof have been directed towards transforming the CoA into a supreme audit institution that meets the highest standards of independence, objectivity and professionalism in carrying out external audit of public finances. However, the CoA can and should do more to improve its performance in achieving the vision of "a better audit ensures greater accountability and more efficient management of public finances." The challenges in achieving this vision can be found in the second Strategic Development Plan for 2011-2015, which is being implemented/ will be implemented through the conduct of three interrelated technical assistance projects, namely: Swedish National Audit Office Project (*stage III: 2013-2015*); EU Twinning Project (*expected to be launched in the II half of 2014*), and the Project for strengthening the CoA capacity, funded by the World Bank through the Trust Fund. The start of the project financed by the World Bank Trust Fund is planned for the first half of 2014 to be completed in November 2015.

At the time of signing the Memorandum /Contract /Agreement with development partners the CoA kept in mind to avoid duplication and overlapping of areas to be supported by each particular donor. CoA remains open to all three donors and is ready to provide, whenever necessary, information about the main developments and achievements in each project.

1.2. Project purpose.

The Project "Strengthening the capacity of the Court of Accounts of the Republic of Moldova" aims at carrying out a number of activities to develop the external public audit in Moldova by increasing efficiency of audit work and strengthening the capacity of the CoA. By this Grant, the World Bank wishes to support the CoA, together with other development partners, in implementing the objectives of the SDP for 2011-2015 that are grouped into four main pillars:

1. Institutional maturity;
2. Enhanced professionalism;
3. Doing more for less;
4. Strengthen internal and external accountability and transparency.

CoA will contract an individual consultant (hereinafter - the Consultant) to support the CoA in achieving several objectives related to the four above-mentioned goals, the meaning of which is summarized as follows:

- Strengthening the performance audit capacities of the staff of the Performance Audit Division; training and developing the skills to conduct performance audits of the staff with audit responsibilities from other CoA divisions;
- Doing performance audits in certain independent agencies;
- Consolidation of the quality control system;
- Measuring the impact of performance audit reports.

II. Objective and Tasks of the Assignments

Institutionalization of performance audit in the Court of Accounts began in 2008, with technical support from a U.S. company, involved in the project funded by the World Bank. Between October 2008 and December 2010, the company's experts have helped Court of Accounts of the Republic of Moldova to develop its ability to realize performance audits by:

- Elaboration of modules for training in performance audit, and training of CoA staff;
- Realization of five pilot performance audits;
- Provision of extensive training and on the job coaching for CoA staff, who implemented the five pilot performance audits;
- Development of performance audit manual;
- Development of a strategic planning guide for selecting the topics of performance audits;
- Training in writing performance audit reports, and post-audit ("cold") quality review of reporting, etc.

All these have developed the professional skills of the Court of Accounts' auditors to carry out performance audits; so far 22 performance audits have been conducted. The CoA has created a specialized subdivision in performance auditing with a number of 9 auditors able to realize approx. 3-4 performance audits per year.

However, CoA wants to expand the number of performance audits that are expected and highly appreciated both by entities as well as by the Moldovan Parliament and society. Today it is no longer sufficient that public money is spent according to law. It should be used in conditions of economy, efficiency and effectiveness, which is why performance auditing is viewed as an important area for further development.

Another challenge for the CoA is the audit of regulatory agencies, such as the Agencies for Competition, Tariff Regulation, Anti-monopoly and Privatization. The question is how these agencies can work effectively. How to set prices, to optimize communications services, eliminate monopoly, etc?

To accomplish these tasks the CoA needs support from external experts in the field of performance audit to train a total of about 25 people, including auditors from other General Divisions (20 people) to be involved in performance audits, as well as young employees of the division specialized in performance audit (5 persons).

III. The goal of the assignment

3.1. Business area

The consultant shall assist CoA in the following areas:

- Review and update of training modules in performance audit. Supplement them with additional material on auditing independent regulatory agencies;
- Review of performance audit manual in terms of its compliance with ISSAI requirements and updating it, as appropriate;
- Staff training in performance auditing;
- Conducting several pilot performance audits;
- Post-audit ("cold") quality review of 2 performance audits conducted independently by the CoA;
- Measuring the impact of some performance audits.

3.2. ACTIVITIES

The following activities are foreseen:

- Analysis of existing CoA practices for conducting performance audit, with consultation, if necessary, of staff and other relevant stakeholders, as well as review of the activities previously completed to institutionalize the performance audit;
- Review and update of training modules in performance audit. Supplement them with additional material on auditing independent regulatory agencies;
- Review of performance audit manual in terms of its compliance with ISSAI requirements and updating it, as appropriate;
- Organization of seminars / workshops regarding the main stages of performance audit, including:
 - Selection of topics for performance audits;
 - Planning the performance audits;
 - Conducting the performance audits;
 - Presentation of findings identified during performance audits.
- Training of about 20 employees of General Audit Divisions to be involved in the pilot audits and other performance audits, and 5 young employees of the division specialized in performance audit (*one-week training courses based on modules dedicated to the performance audit stages, such as: performance audit planning, preliminary study, audit tools and techniques, reporting of results, etc.*) The training will also address aspects of how to conduct performance audits of certain specific subjects in the independent regulatory agencies as pilot audits.
- Conduct of 2 pilot performance audits in 2 agencies, during which potential procedural and methodological problems will be addressed with advice and on the job training, especially at the end of the preliminary study, summary of audit results, and preparation of final report.
- Coaching of staff of CoA General Divisions, to be involved in other performance audits, as regards the transition from piloting to full and independent implementation of performance audits in the institution.
- Post-audit ("cold") quality review of 2 performance audits conducted independently by the CoA in the light of compliance with the methodological framework of CoA and quality requirements of ISSAIs and ISQC 1, which will provide relevant information to CoA Board and the entire staff of the institution and stakeholders about the quality assurance for proper and professional conduct of performance audit.
- Measuring the impact of some performance audits by:
 - studying the impact of at least 2-3 performance audits, through follow-up on site of CoA recommendations;
 - interviews with relevant persons within the audited entities and other stakeholders;

- organizing discussions with auditees, other relevant actors, the media about the results of the performed study;
- presentation of the study to Parliament line committees for information and taking appropriate measures to increase the impact.
- Acquiring knowledge and skills by a group of 3-4 specialists (1-2 methodologists responsible for training staff internally) in performance audit, appointed by the CoA to strengthen and ensure the sustainability of ongoing training in the CoA.

It is envisaged to implement the activities under a lump sum contract.

3.3. Implementation period

The assignment should begin as soon as possible, but not later than June 2014 and be completed by the end of November 2015. The consultant shall accomplish the assignment set during approximately **18 months**, including assistance in the premises of the Court of Accounts, preparation of reports and their presentation to CoA management. In carrying out this assignment it is expected to use about **6 man-months** and the Consultant's presence in Chisinau each month shall last not less than 7 working days.

During the missions the Consultant shall perform his /her activity inside the CoA, which will provide him /her with a workplace with access to telephone, Internet, pertinent material /legislation in Romanian language available at the CoA.

3.4. Language

The Consultant shall submit all reports and key working documents in two languages: English and Romanian.

IV. General responsibilities

4.1. Reporting Obligations

The Consultant shall report to and work under the direction of management of the Court of Accounts. In particular, the Consultant shall work closely with the Board Member of the Court of Accounts in charge of the project "Strengthening the capacity of the Court of Accounts of the Republic of Moldova", and with the working group created for this purpose by order of the CoA President.

The Consultant shall coordinate the activities with Swedish NAO experts responsible for regularity (financial and compliance) audit, and with EU Twinning Project manager and experts.

In his /her working relations with the Beneficiary and the main stakeholders the Consultant shall fully meet the requirements and demonstrate the highest level of professionalism.

4.2. Institutional Arrangements

The Consultant shall take care of all arrangements related to accommodation, interpretation and translation costs necessary for the accomplishment of the assignment.

V. Deliverables and implementation time frame

5.1. Main outputs of the project

- An inception report in one month since the beginning of contract action or till the deadline agreed upon with CoA;

- The report should contain an action plan for the review and updating of training modules in performance audit. Supplement the modules with additional material on auditing independent regulatory agencies;
- Training modules in performance audit reviewed, updated and supplemented with additional material about audit of independent regulatory agencies;
- Performance audit manual updated and made available to all staff;
- Overall informative seminar in performance auditing for CoA Board;
- Training of 25 employees in the application of performance audit methodology;
- 2 pilot performance audits of independent regulatory agencies, conducted during the delivery of assistance and the results thereof included in the CoA Annual Report presented to Parliament;
- Two previously completed performance audits by the CoA are subject to post-audit ("cold") quality review with subsequent analysis of the results;
- Study of the impact of at least 2-3 performance audits based on the follow up of the implementation of CoA recommendations, on interviews with relevant persons in the audited entities and other stakeholders, conducted and submitted to Parliament;
- Final report, including recommendations for further development of the performance audit.

VI. **Qualifications Requirements**

Consultant in performance auditing

- At least ten (10) years of work experience after obtaining the qualification - 15 points;
- Work experience in developing performance audit in transition or developing countries - 15 points;
- Experience in developing performance audit methodology and guidance - 20 points;
- Practical experience in conducting performance audits - 20 points;
- Good skills of management of consulting projects and at least three (3) years experience in similar projects - 20 points;
- Excellent knowledge of English - 5 points;
- Excellent knowledge of Romanian and /or Russian would be an advantage - 5 points.

Court of Accounts address:

2001 Chişinău, bd. Stefan cel Mare, 69
 phone: (022)232-579
 Fax: (022)233-020
 E-mail: ccrm@ccrm.md