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**COMMON MARKET FOR EASTERN AND**

**SOUTHERN AFRICA**

**TERMS OF REFERENCE (TORs) FOR IMPLEMENTATION OF INTERNATIONAL PUBLIC**

**SECTOR ACCOUNTING STANDARDS**

**THE REGIONAL INFRASTRUCTURE FINANCE FACILITY (RIFF) PROJECT**

1. **BACKGROUND**

The Division of Budget and Finance derives its mandate from Articles 166 to 170 of the COMESA Treaty. These articles guide on the Budget, Contributions from Member States, Common Market Levy and other Resources, accounts of the Secretariat and External Auditors and Financial Regulations. The Division is responsible for provision of financial, accounting and advisory services to COMESA Secretariat and other stakeholders that include Member States; Cooperating partners, COMESA Institutions and Agencies as well as service providers. The Division is also responsible for proper custody, management, accounting and reporting of COMESA financial resources in an appropriately controlled financial environment. In this regard, the Division develops, reviews and implement finance policies and procedures which meet COMESA’s operational needs in line with its values and international standards, for the achievement of its operational and strategic goals and objectives. It safeguards COMESA’s financial resources and assets ensuring they are accounted for in accordance with the Secretariat’s accounting framework (IFRS), and donor requirements.

COMESA uses International Financial Reporting Standards (IFRS) as its accounting framework which is in line with COMESA Financial Rules and Regulations 2014. However, in recent years, many of its stakeholders have recommended that COMESA considers moving to the International Public Sector Accounting Standards (IPSAS). IPSAS are sets of international accounting standards which have been developed by the International Accounting Standard Board aimed at improving public sector financial reporting worldwide. Benefits of adopting IPSAS include greater accountability and transparency, better decision making, improved efficiency, data consistency and application as well as sound financial management.  As part of this consideration, COMESA and its Institutions would like a structured implementation of IPSAS. According to a study that was undertaken by RIGO, IPSAS seems to be the more suitable accounting framework for COMESA, based on the organization’s objectives, structure, and operations. Consultancy services are being sought to support the Secretariat and its institutions to transition from IFRS to IPSAS accounting framework.

1. **OBJECTIVES OF THE CONSULTANCY**

The consultancy will support the COMESA Secretariat, COMESA Institutions and COMESA Court of Justice to change/transition its accounting framework from International financial reporting standards to International Public sector accounting standards.

* 1. **General Objectives**

The general objective of the consultancy is to train and provide technical support to COMESA Secretariat, COMESA Institutions and COMESA Court of Justice in transitioning their financial management and reporting systems and structures from International financial reporting standards (IFRS) to International Public sector accounting standards (IPSAS) framework.

* 1. **Specific Objectives**

The specific objectives are:

1. Obtain an understanding of COMESA’s current accounting framework and review IPSAS implementation gap analysis studies to confirm the value proposition for transitioning from IFRS to IPSAS
2. Assess the Institutional, systems, policies and staff capacity/readiness for IPSAS transitioning and implementation and design a capacity building plan.
3. In consultation with the COMESA Secretariat, its Institutions and COMESA Court of Justice, prepare the IPSAS implementation roadmap.
4. Support the COMESA Secretariat, its Institutions and COMESA Court of Justice in the implementation of the IPSAS implementation roadmap.
5. **SCOPE OF WORK**

The consultant is expected to undertake the following activities:

1. Review IPSAS implementation gap analysis studies that have been undertaken by the Secretariat to identify accounting standards that need to be adopted by COMESA Secretariat, its Institutions and COMESA Court of Justice for alignment with the IPSAS accounting framework.
2. Assess staff, system and overall organization capacity on IPSAS Implementation and prepare a capacity building plan for staff as well as system structural change action plan. Structural changes will be required on the following: accounting policies and procedures, accounting system (SUN Version 6.3) and work programme performance reporting systems.
3. Train staff in the requirements of IPSAS accounting framework.
4. Prepare IPSAS based Financial Policies, Rules and Regulations and Procedure Manuals.
5. Align SUN accounting system with IPSAS reporting requirements through the revision of the chart of accounts and analysis dimension.
6. Align the planning and budgeting system reports template to the revised analysis dimension for IPSAS compliant budget performance reports.
7. Support the COMESA Secretariat, its Institutions and COMESA Court of Justice in their preparation of first time adopted IPSAS Financial Statements included with notes and disclosures.
8. **TASKS**

Task I: Review IPSAS implementation gap analysis studies**.**

The consultant is expected to:

1. Review the financial statements for COMESA Secretariat, its Institutions and COMESA Court of Justice and identify the IFRS that are applied in their preparation.
2. Go through the two studies that have been undertaken by the Secretariat to determine the use of IPSAS as the most appropriate accounting framework for the organization.
3. From the two studies, identify IPSAS standards that require to be applied in the preparation of financial statements of COMESA Secretariat, its Institutions and COMESA Court of Justice.

Task II:Assess staff, system and overall organization capacity on IPSAS Implementation

The consultant is expected to:

1. Identify and engage staff that are involved in the preparation of financial statements to determine their training needs in IPSAS implementation. Prepare and deliver a training plan.
2. Identify and engage staff that are involved in programme implementation and reporting to determine their needs in IPSAS budget performance reporting. Prepare and deliver a training plan.
3. Review SUN accounting workflows for alignment with IPSAS reporting requirement in expenditure/activity classification hence budget performance reporting. Revise and implement the chart of accounts and analysis dimension.
4. Review the Planning and Budgeting system workflows for alignment with IPSAS budget performance reporting requirement. Map the revised analysis dimension and chart of accounts to the planning and budgeting system.

Task III: Conduct training and manage change

The consultant is expected to:

1. Train accounting staff in IPSAS requirements with a special focus on the standards that are applicable to COMESA Secretariat, its Institutions and COMESA Court of Justice
2. Train planning and programming staff on IPSAS budget performance reporting requirements
3. Lead both the accounting and programming staff in the restatement and preparation of the first-time adoption IPSAS compliant financial statements.
4. **DELIVERABLES (REQUIRED OUTPUTS)**

The outputs and deliverables of the consultancy shall be:

1. Inception Report.
2. IPSAS implementation strategy.
3. Training Plan for staff on IPSAS implementation and reporting requirements.
4. Revised chart of accounts.
5. Reconfigured SUN Accounting System.
6. IPSAS Based Financial Procedure Manual and Accounting Policy.
7. COMESA Secretariat, COMESA Institutions and COMESA Court of Justice IPSAS compliant financial statements.
   1. **Inception report**

The report should indicate the impact of implementing IPSAS as well as policy and structural changes that may be required.

* 1. **Implementation strategy**

The strategy should have key milestones with timelines and composition as well as terms of reference and accountabilities of the Project Management team

* 1. **Training**

The training plan should encompass both accounting and programme staff for IPSAS implementation and reporting requirements at various levels that include planning, budgeting, budget performance reporting, general ledger and internal control.

* 1. **Chart of Accounts**

Expenditure and balance sheet codes should align to IPSAS requirements for accurate and complete reporting

* 1. **SUN Accounting system**

The system should accommodate the new accounting and financial reporting requirements of IPSAS in the following modules: budgeting and control, general ledger and reporting with specific focus on the chart of account and analysis dimension.

* 1. **Policies and procedures**

COMESA financial rules and regulations as well as procedure manuals that are currently IFRS will be amended and staff trained on their application.

* 1. **Financial statements**

Three-year prior financial statements will be restated to align with IPSAS during the preparation of IPSAS compliant financial statements.

1. **MANAGEMENT**
   1. **Contracting**

The Contract for the Assignment shall be signed between COMESA Secretariat and the Consultant.

* 1. **Costing**

Payments will be done based on individual outputs completed. However, evaluation of the proposal will be done on the basis of the overall cost of the whole assignment.

* 1. **Supervision**

The work of the Consultant shall be supervised by the Project Management Committee and COMESA Director of Budget and Finance through regular meetings and provide general and specific guidance.

* 1. **Location**

It is envisaged that the Consultant will primarily work from his/her country. However, missions may be undertaken to COMESA Secretariat for information, training and SUN system reconfiguration.

1. **TIMEFRAME /LEVEL OF EFFORT**

The assignment will be undertaken within a maximum period of **18 months**. The consultant will be required to put in a combined effort of 250 -person (working) days within the 18 months period

1. **PROFILE OF THE CONSULTANCY FIRM**

**Experience of the Firm and proposed Methodology**

The lead consultant in the Accounting firm should possess the following qualifications and experience:

1. Chartered Certified Accountant (ACCA), CPA or equivalent professional qualifications.
2. Master’s degree in finance and accounting.
3. IPSAS professional qualification from recognized body will be an added advantage.
4. Over 10 years’ experience in supporting IPSAS Implementation.
5. Experience in the development and delivery of training /capacity building.

The following is also required:

Knowledge and exposition in:

1. Automated Accounting Applications.
2. Accounting Policies and Procedures.
3. Strategic Planning and change management.
4. Prior Experience with Regional Intergovernmental Organisations; and
5. Report writing, negotiation and good presentation skills.
6. The Lead consultant will be supported by experts in the following fields: Change management, Sun system support, financial reporting and strategic planning. The various experts should have 5 years experience in their fields coupled with Bachelor’s degree in the following: Business Administration, Accounting, and Information Technology.