REQUEST FOR EXPRESSION OF INTEREST

(CONSULTING SERVICES – FIRMS SELECTION)

**Date: August 15, 2023**

**The Republic of Armenia**

**Project “ELECTRONIC LABOUR EXCHANGE”**

**EFSD Grant**

**Assignment Title:** Audit of expenses and financial statements of the “ELECTRONIC LABOUR EXCHANGE” for the period July 15, 2022, to December 31, 2023.

**Reference No.:** **EFSD - ELE-CS/4/2023**

The Republic of Armenia has received a grant from the Eurasian Fund for Stabilization and Development (EFSD) in the amount of 518,000 USD toward the cost of the “Electronic Labor Exchange” Project, and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include: Audit of expenses and financial statements of the “Electronic Labour Exchange” Project for the period July 15, 2022 - December 31, 2022 (the First reporting year) and for the financial year ending December 31, 2023 (the Second reporting year).

**The overall duration of assignment:** 198 calendar days (from 15 December 2023 to 30 June 2024).

**Date of commencement of services:** 15 December 2023

The detailed Terms of Reference (TOR) for the assignment are attachedto this Request for Expressions of Interest.

**“Nork” Social Services Technology and Awareness Center” Fund**, acting as PIG now invites eligible firms (“Consultants”) to express their interest in providing the Services. Interested Consultants should provide documents and information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The shortlisting qualification requirements are:

* Experience of the Consultant in providing audit services in the government (public) sector. Government (public) sector audit experience refers not only to the auditing of government entities, but also the projects, financed by international financial organizations (minimum 5 years).
* Number of completed assignments with a similar nature and scope within audit reviews of financial statements of the projects, financed by international financial organizations during the last 5 years (minimum 3 contracts).
* Involvement in WB eligible audit firms list (2020) will be considered as an advantage.

The shortlisting criteria are:

* General experience of the Consultants in audit of the International financial organizations financed projects – 60 points
* Relevant experience of the Consultants in the region – 40 points

Total minimum score required to pass is: 70

Key Experts will not be evaluated at the shortlisting stage.

A Consultant will be selected in accordance with the Selection based on Least Cost based Selection method set out in the Procurement Procedures for Projects Financed by the EFSD Funds (last update in November 2018)and the Procurement Policy for Projects Financed by the EFSD (last update in November 2018) posted on the website of the EFSD (<https://efsd.org/en/about/documents/policies_and_procedures/> ).

Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. In the event of an association, the Consultant shall clearly indicate the form of association, such as a joint venture or sub-consultant. Under the joint venture form, the experience of each partner is evaluated, and when a sub-consultant involved, the experience of sub-consultant is not considered.

Further information can be obtained at the address below during office hours at 68 Karapet Ulneci, 0069, Yerevan, Armenia, + (374-11) 50-18-06 from 09:00 to 18:00.

Expressions of Interest in English, or Russian, or Armenian must be delivered in a written form (no specific template required) to the address below in person, or electronically by E-mail by **August 29, 2023.** The subject of the E-Mail shall be: **Expression of Interest for** **EFSD - ELE-CS/4/2023**

“Nork” Social Services Technology and Awareness Center” Fund

68 Karapet Ulneci, 0069, Yerevan, Republic of Armenia

Mrs. Anahit Parzyan, Director

Phone: + (374 11) 50-18-06

E-mail: info@nork.am

Official web site of Receiver: [www.nork.am](http://www.nork.am), [www.nork.am/en/](http://www.nork.am/en/)

Official site of EFSD: <https://efsd.org/en/>

**TERMS OF REFERENCE**

for auditing of expenses and financial statements of the ***“*ELECTRONIC LABOUR EXCHANGE”** **GrantProject** **for the period July 15, 2022, to December 31, 2023**.

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| **Project title:** | *“*ELECTRONIC LABOUR EXCHANGE” GrantProject (hereinafter – Project). |
| **Client:** | “Nork” Social Services Technology and Awareness Center” Fund |
| **Source of financing:** | Eurasian Fund for Stabilization and Development (EFSD) Grant |
| **Assignment title:** | Audit of expenses and financial statements of the Project for the specified periods. |
| **Duration of services:** | From 15 December 2023 to 30 June 2024. |
| **Place of providing services:** | 68 Karapet Ulneci, 0069, Yerevan, Republic of Armenia |
| **Scope of work:** | The amount under the audit is about US$ 686,638.0 (EFSD grant funds US$ 518,000.0 and RA Government co-financing is approximately US$ 168,638.0).The breakdown of the amount by years is as follows:

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| --- | --- | --- |
| **Actual 2022****US$** | **Planned 2023****US$** | **Total****US$** |
| 50,850.26 | 635,787.74 | 686,638.0 |

Under the scope of the Project in 2022 were implemented:* Consulting Services for finalizing the Terms of Reference for the creation of a unified state online platform “Electronic Labor Exchange”, EFSD - ELE-CS/1/2022;
* Operational expenses.

Under the scope of the Project in 2023 will be implemented:* Procurement and installation of technical means necessary for the operation of the “Electronic Labor Exchange” state platform, ICB No. EFSD - ELE-G/1/2023;
* Consulting Services for Development, testing, installation, and creation of a unified state platform “Electronic Labor Exchange” available to employers and job seekers, EFSD - ELE-CS/2/2023;
* Consulting Services for Raising Public Awareness about “Electronic Labor Exchange”, EFSD - ELE-CS/3/2023;
* Operational expenses.

The number of employees under the Project is 5-7 people. |
|  **Audit stages:** | The task is carried out in 1 stage:Audit of expenses and financial statements for the period July 15, 2022 - December 31, 2022 (the First reporting year) and for the financial year ending December 31, 2023 (the Second reporting year).The audit of each reporting year must begin no earlier than **December 15, 2023,** and end no later than **June 30, 2024**. |
| **Basic requirements to audit:** | Audit must be conducted in accordance with the requirements of International audit standards (ISA), published by the International Federation of Accountants (IFAC). In accordance with International audit standards, (ISA) the Consultant must plan and conduct the audit with special attention to the following:1. In accordance with ISA requirement **240** «Responsibilities of auditor in relation to unjust acts during financial statement audit», to reduce the audit risk the auditor when planning and conducting an audit must take into account the significant distortion in financial statement as the result of unjust acts.
2. In accordance with ISA requirement **250** «Reviewing the laws and legal acts in the course of financial statement audit» when working out, audit, evaluation, and submission of the final statement the auditor must take into consideration the violation of laws and legal acts that may significantly influence the financial statement.
3. In accordance with ISA requirement **260** «Informational cooperation with corporative managers», in the course of audit related to management issues the auditor must cooperate with corporative managers.
4. In accordance with ISA requirement **265** «Informing corporative managers and management of organization on internal control disadvantages», the auditor must inform the management of the organization and corporative managers on internal control disadvantages, revealed by auditor.
5. In accordance with ISA requirement **330** «Аudit procedures on counteracting the revealed risks», the auditor must work out and perform a system aimed at eliminating the risks of significant distortion in financial statement as well as work out and conduct audit procedures, the nature, timing and scope of which are based on evaluated risks and aimed at its elimination.
6. In accordance with ISA requirement **402** «Features of the enterprise audit, using the services of the service organization», when the certain enterprise activities are implemented by third party (the supplier), auditor must evaluate the internal control management of the supplier.
7. In accordance with ISA requirement **580** «The written statements», during financial statement audit is expected that auditor must receive the written confirmation from management and in relevant situations from corporative managers.
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| **Basic responsibilities and tasks of the auditor:** | 1. Conducting of independent audit, preparation and submission to the Client an expert statement on legality and validity of using grant funds, received according to the Grant Agreement (Financial agreement);
2. review and evaluation of financial statements, submitted to Eurasian Development Bank (EFSD’s fund manager) (Bank) for the reviewed period;
3. review the compliance of financial restrictions according to the Financial agreement;
4. review and evaluation of financial statements preparation procedures;
5. review of complete documentation availability in relation to all expenses within the Project;
6. evaluation of the compliance of financial statements to the expenses (including the expenses of the signed contracts) from July 15, 2022 to December 31, 2023;
7. evaluation of the accounting system, internal financial control, and related systems;
8. review the compliance of financial statements and financial statements preparation methods on the Project to International accounting standards in the government sector, Financial agreement provisions, requirements of applicable guidelines, policies, and procedures, and submission of the compliance report to the Client;
9. review of legality and validity of funds movements on Special Account of the Project N 900000910845 for the Current expenses and N 900000910860 for capital expenses;
10. making the statement on special accounts maintenance related to the Project. Financial statements on special accounts include:
* deposits and funds reimbursed from the Bank;
* payments made on withdrawal requests;
* interest that may be accrued on the balance of the account funds;
* balance sheet at the end of the reporting period.
1. drawing up an opinion on compliance with the applicable procedures in relation to the process of maintaining special accounts, as well as on the balance of funds on them as of the end of the reporting period;
2. investigation of the correctness of financial transactions during the evaluated period, balances in special accounts at the end of the evaluated period, using of special accounts in accordance with the Financial agreement, as well as internal control system adequacy, applied in case of using such spending mechanism;
3. random check of expense statements based on which the withdrawal requests were submitted. Such expenses must be thoroughly analyzed for conformity to the requirements of the corresponding Financial agreement. If the expenses are not eligible for funding but included in withdrawal requests and paid are revealed the auditor should mention this. The total amount of withdrawn expenses must be checked with the amounts paid by the Bank and corresponds to financial statements;
4. include in the Audit report tables or other forms showing the calculation, confirming or refuting legality and validity of funds movement.
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| **Financial reports subject to audit review:** | The Project financial documentation must be prepared by Client and submitted to the Consultant and should include:1. Project sources and Uses of Funds;
2. Uses of Funds by Project Components;
3. Project balance sheet;
4. Balance of the Special Accounts;
5. Statements from the Special Accounts;
6. Withdrawal Schedules.
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| **Reporting:** | At the end of audit of two reporting periods the auditor must submit the following documents:1. Audit report;
2. «Letter to the management», which includes:
3. disadvantages, weak points, comments and remarks to the accounting, systems and instruments of internal financial control, investigated during the audit;
4. submit information of noncompliance with Financial agreement;
5. information on expenses which are considered to be unreasonable and illegal;
6. information on important problems during the audit which may significantly influence the Project efficiency;
7. other questions which the auditor considers necessary to draw the Client`s attention;
8. the Client`s comments regarding the auditor observations, included in the Letter to the management.

If nothing of the above is found the auditor submits the letter in which mentions that nothing was found during the audit review that may draw the Client`s attention. Before the assignment is completed the auditor must submit to the Client drafts of Audit report and Letter to the management for the review. Drafts should be submitted in Armenian, English and Russian languages. After reviewing the report, the Client will provide comments to the auditor, which should be addressed in the final versions of the above documents. After including the comments, auditor submits to Client the final Audit report and Letter to the management in 2 (two) copies in Armenian, English and Russian languages in printed and electronic forms. |
| **Requirements to the Consultant and key personnel qualification:** |
| **№** | **Requirements**  | **Minimum** **value** |
| 1 | Experience of the Consultant in providing audit services in the government (public) sector. Government (public) sector audit experience refers not only to the auditing of government entities, but also the projects, financed by international financial organizations. | 5 years |
| 2 | Number of completed assignments with a similar nature and scope within audit reviews of financial statements of the projects, financed by international financial organizations during the last 5 years. | 3  |
| 3 | Involvement in the World Bank’s list of eligible audit firms (2020) will be considered as an advantage. |  |
| 4 | **Key personnel qualification:** |
| Head of the group | 10 years of audit experience conforming to international standards, including no less than 5 years of audit experience and implementation the programs financed by International financial organizations (IFIs), no less than 4 years of audit experience as head of the unit in audit organization, good command of the English language. |
| Аuditor 1 | 5 years of audit experience conforming to international standards, including no less than 3 years of audit experience and implementation the programs financed by International financial organizations (IFIs), no less than 2 years of audit experience in audit organization, good knowledge on international accounting standards and tax legislation, good command of the English language. |
| Аuditor 2 | 5 years of audit experience conforming to international standards, including no less than 3 years of audit experience and implementation the programs financed by International financial organizations (IFIs), no less than 2 years of audit experience in audit organization, good knowledge on international accounting standards and tax legislation, good command of the English language. |

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