

Republic of Albania
Ministry of Finance
Improving Compliance Monitoring and Enhancing
Transparency in Public Procurement in Albania Project

Terms of Reference
For

ASSISTANCE TO THE STATE SUPREME AUDIT INSTITUTION IN
DEVELOPING PROFESSIONAL EXPERTISE IN PROCUREMENT AUDIT IN
ORDER TO ENHANCE THE CAPACITY AND THE QUALITY OF AUDITS

International Consultant
Ref. No 3.1

1. Background

At present, Albania has no monitoring system on procurement performance for public contracts. The Law on Public Procurement (LPP) No. 9643 of 2006 has been amended several times and the recent one was after the Albania - Public Expenditure and Financial Accountability (PEFA) 2011. The recent amendment has introduced important changes in requesting for pre-publishing of all procedures (except for Negotiations without publication) and even for procedures below 3,000 Euros which were previously exempted. This has increased the transparency and enhanced the efficiency of public spending according to figures provided by Public Procurement Agency (PPA).

The Public Procurement Agency has started working on preparation of a National Strategy on development of the public procurement system. The aim of this strategy is to define main goals in development of the public procurement system and measures required for their achievement. Furthermore, the Government of Albania is under preparation of the PFM strategy which will serve as the basis for the budget support from the EU. Designing of a public procurement compliance monitoring system and establishing of a methodology to monitor the compliance and measure the performance of public procurement, procurement staff and procuring entities will provide relevant data and support for addressing the shortcomings identified so far and propose measure for better alignment of the public procurement framework. Internationally accepted indicators (OECD/DAC) will be considered when developing performance indicators also intended to include the key issue of value-for-money.

The grant will contribute to the improvement in PFM performance indicators related to strengthening efficiency and transparency in public procurement including ministries and other central government bodies (national level) communes and local government bodies (sub-national) using state or their own funds, and also increase the trust of private sector (sector level).

2. Objectives of the Assignment

This assistance will support the State Supreme Audit Institution (“SSAI”) in developing professional expertise for conducting audit of procurement of public and donor financed contracts in Albania. The International consultant will work with the staff of the SSAI to develop relevant audit manuals and conduct pilot audits of the public and donor financed procurement. In addition, the international consultant will organize special training courses for the staff of the SSAI on audit of Public Procurement and conduct pilot post review contracts as part of the audit of donor financed projects.

3. Scope of work

The work undertaken will be focused on two main components:

1. Training on procurement primary and secondary legislation, audit approach, issues and checks on procurement systems, and design and implementation of procurement system highlighting international best practices:

The consultant will visit Albania during one year to provide the staff of the State Supreme Audit Institution on the job training on audit of procurement systems. The consultant will first assess the current practices of the SSAI in the area of audit of public procurement. This assessment will make recommendations on the approach to procurement within SSAIs existing audit standards, policies and procedures. Based on this, and in consultation with the SSAI, a training program will be developed taking into account the needs of the auditors and international best practice in the area of public procurement audit.

In disseminating best practice guidance, the consultant will prepare all training course materials, including audit programs, working papers and templates on reports that can be used by the staff of the State Supreme Audit Institution for future internal trainings to junior staff, and for use during the audits. Besides, the training will draw upon experience of instructors and participants through structured discussions, case studies and other training methods.

2. Coaching and mentoring pilot procurement’s system audits in order to properly apply international audit standards and best practices in the Albanian context and revising the relevant sections of the Audit Manual on public procurement.

The international consultant will co-lead, coach and mentor the audit teams of the SSAI on two procurement systems pilot audits, one during the middle of audit season 2015/2016 and the other during the end of audit season 2015/2016. In addition, the consultant will produce a procurement audit manual that will reflect revised practices of the SSAI for the audit of the public procurement. One of the proposed pilots may be in one of the donors financed projects. Specific focus will be given to;

- Audit planning - The initial interaction will be in the form of detailed involvement in audits ensuring that an in depth understanding is gained of each review and a clear assessment of audit risks etc is developed and shared with the team;
- Audit Execution - effective audit programs are developed incorporating appropriate timelines for the completion of the audit work. It is also expected that involvement will be at a higher level with increased focus on mentoring the teams; and

- Audit Reporting – involvement in report writing for all pilots with particular focus on the format of reports, the identification and justification of audit findings and associated procurement risk and the development of robust and practical recommendations.
- **Procurement systems audit.** Provision of technical assistance to staff of the SSAI on audit of procurement systems, through:

conducting of an assessment of the SSAI current practices on public procurement audit, developing training course materials and implementing training on public procurement audit, and

preparing working papers and report templates for future use on training junior staff and use during audits.

- **Pilot procurement audits.** Provision of support for, inter alia, the carrying out of technical assistance to the SSAI audit teams to conduct joint pilot audits of public procurement systems, World Bank assisted projects, EU financed projects; and the preparation of a procurement audit manual.

4. Expected Deliverables/Outputs

- Audit skills and capacities of the SSAI further developed in procurement audit
- Completed pilot audits of the public and donors procurement
- Updated Audit Manual of the SSAI

5. Timing

It is expected that the time effort for the assignment shall be around 100 working days, based in Tirana and to be completed within 30 November 2016. The timing and number/length of missions in Tirana will be by agreement with SSAI.

6. Reporting requirements

The Consultant shall work closely with SSAI staff. The Consultant shall work under the general supervision of SSAI president and submit all reports to him who will facilitate the Consultant's access to the necessary documentary materials.

The consultant will report to the SSAI Project Manager and submit all reports to him. CFCU as a Contracting Authority will receive all requests for payments with endorsement from the SSAI.

7. Resources

The SSAI shall provide the Consultant with the required office space, logistics, administrative support, premises for meetings and similar resources.

8. Qualifications

Competencies:

- Procurement Principles - Has in-depth knowledge of public procurement principles, regulations, systems, and approaches to international procurement with proven ability to independently provide well researched analyses of complex procurement issues and problems;
- Regional Procurement Policies - Has the ability to provide high quality, pragmatic advice on the application of procurement policies and procedures as related to the design and implementation of local procurement initiatives;
- Procurement Transactions - Has in-depth understanding of procurement process and planning, including experience with resolving complex procurement issues, bidding documents, evaluation reports and contracts;
- Operational Project Management - Demonstrates in depth knowledge and understanding of project management tools & methodologies and processes related to project preparation & implementation, resource management, and stakeholder communications;
- Client Orientation - Maintains client relationships in the face of conflicting demands or directions and provides evidence-based advice and solutions based on sound diagnosis and knowledge;
- Drive for Results - Identifies the needed resources to accomplish results involving multiple stakeholders and finds solutions to obstacles affecting key deliverables;
- Teamwork (Collaboration) and Inclusion - Shows leadership in ensuring the team stays organized and focused, and actively seeks and considers diverse ideas and approaches;
- Knowledge, Learning and Communication - Leads in the sharing of best practice, trends, knowledge and lessons learned across units and with clients and partners, articulating ideas verbally and in writing in a clear and compelling way across audiences of varied levels;
- Business Judgment and Analytical Decision Making - Gathers inputs, assesses risk, considers impact and articulates benefits of decisions for internal and external stakeholders over the long term; and
- Responsive to the needs of a developing organization and possesses good IT skills.

Selection Criteria:

Consultant Qualifications and selection requirements

- Preferable 8 years' experience of procurement systems with at least 3 years' experience of auditing, monitoring or evaluating procurement systems and working with an audit institution or consultancy firm;
- Knowledge of European public sector procurement within some awareness of the procurement context/developments within the region;
- The understanding of the political environment in the region and knowledge of relevant stakeholders is a desirable characteristic; and
- The consultant must be a professional with a degree in business, social sciences, economics or other relevant field (Master degree preferable).

9. Restrictions

In addition to the standard conflict of interest restrictions specified in the consulting Contract, all materials created under this Contract will remain the sole property of the SSAI. Re-use of the materials will require the formal, written approval of the SSAI.

The Consultant shall have no material interest in any of the outputs of this assignment.

On the commencement of the assignment, the Consultant will jointly prepare with the MoF a Statement of Confidentiality that will bind the Consultant to nondisclosure of any sensitive information that the Consultant may become knowledgeable of in the course of the assignment.

The terms of this agreement shall be made consistent with the relevant privacy laws of the Republic of Albania.

10. Selection

The service will be selected under the provisions of the World Bank's Guidelines for the Selection and Employment of Consultants, January 2011, Revised July 2014, based on the method of Selection of Individual Consultants (IC), Time-Based Contract.

