TERMS OF REFERENCE (TOR) FOR EXTERNAL AUDIT SERVICES for FY 2018

A. Background

1. For the first time since the collapse of the state in 1991, Somalia has a sovereign, federal government in place based Mogadishu. The leadership at the Federal and member States have demonstrated commitment to inclusive governance, reconciliation and peace based on the provisional constitution. Many observers hail the transition as a genuine break from the past and the best opportunity for the stability of the fragmented country has had in past more than two and half decades. In early consultations with the international development partners, the Somali Federal and Regional Member States have stressed the need for normalization of relations and resumption of priority based financial support, in particular World Bank’s International Development Assistance (IDA). The Government is seeking support from the International Development Partners and the World Bank on Institutional and Economic Governance Reforms.

2. The last 20 years have seen numerous failed attempts to establish peace and undertake national reconciliation – prospects for the new dispensation are promising but depend on a sensitive process of political negotiation. State-building has always been problematic while conceptual framework for Somalia in the past resulted in the establishment of extractive, non-inclusive and Mogadishu-centric politics and institutions. Consensus on a national vision, incorporating settlements relating to political representation, power and wealth-sharing are underway. Somalia is likely to face continued instability as new stresses emerge, mainly resulting from the process of political negotiation between federal authorities in Mogadishu and existing and emerging regional administrations.

3. Transformational moment: In February 8th, 2017, Somali Presidential Election was held in Somalia. Members of Parliament elected in 2016 Parliamentary election elected the former Prime Minister, Mohamed Abdullahi Mohamed to the post of President of Somalia for a four-year team. This represented a smooth transition from the previous government which came into office in 2012 on an equally four-year term (2012 – 2016). Since its establishment, FGS and States have demonstrated a commitment to improved governance and economic management and is laying the foundations for the implementation of a federal system of governance. The Federal Government is responsible for meeting important political, security and economic milestones during its term. Regional countries and international actors have re-doubled efforts to support and establish development windows by endorsing a New Deal for Somalia at the September 2013 Brussels Conference. US$2.4 billion was pledged against a set of five priority Peace- and State-building Goals set out in a Somali Compact (“the Compact”), which includes a “Special
IV. Appendices

Arrangement for Somaliland”. A Special Financing Facility (SFF), developed by Norway with World Bank support, was established to finance critical expenditure in the first phase of the transition.

4. Over the past three years, the World Bank on consultation with the Federal Government, Federal Member States (FMS) have designed a number of projects. The projects are financed through the State and Peace-building Fund (SPF) and the Somalia Multi-Partner Fund (MPF) and lately International Development Association (IDA)

5. The following table provides a summary overview of the FY 2018 active projects subject to be audited with the support of the technical assistance under this TOR.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Location</th>
<th>Effective Date</th>
<th>Project Value</th>
<th>Comment on Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 P152358</td>
<td>FGS and Puntland</td>
<td>15 June 2015</td>
<td>US$ 14m</td>
<td>The FM arrangements are centralized in FGS. The External Audit to be undertaken by FGS SAI.</td>
</tr>
<tr>
<td>2 P154875</td>
<td>FGS, Puntland and Emerging States</td>
<td>2 July 2015</td>
<td>US$ 144m + additional financing US$ 62m financed by IDA</td>
<td>The FM arrangements are centralized in FGS. The project External Audit to be undertaken by FGS SAI.</td>
</tr>
<tr>
<td>3 P151492</td>
<td>FGS Puntland and Somaliland</td>
<td>9 September 2015</td>
<td>US$ 20m + additional US$ 30m financed US$ 20m by IDA and US$ 10m by MPF</td>
<td>Puntland and Somaliland have independent disbursement arrangements. The External Audit for the activities relating to FGS to be undertaken by FGS SAI.</td>
</tr>
<tr>
<td>4 P149971</td>
<td>FGS and Puntland</td>
<td>13 October 2015</td>
<td>US$ 40m</td>
<td>Puntland has independent disbursement arrangements. The External Audit for the activities relating to FGS to be undertaken by FGS SAI.</td>
</tr>
<tr>
<td>5 P152241</td>
<td>FGS Puntland and Somaliland</td>
<td>19 October 2015</td>
<td>US$ 28.5m</td>
<td>Somaliland has independent FM arrangements. Puntland FM arrangements are</td>
</tr>
<tr>
<td>Project Number</td>
<td>Project Name</td>
<td>Geographical Location</td>
<td>Effective date</td>
<td>Project Value US$</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>P156257</td>
<td>Special Financing Facility for Local Development Project (SSF-LDP)</td>
<td>FGS</td>
<td>15 December 2015</td>
<td>US$ 6m</td>
</tr>
<tr>
<td>P150374</td>
<td>Somali Urban Investment Planning</td>
<td>FGS, Puntland and Somaliland</td>
<td>29 July 2016</td>
<td>US$ 6m</td>
</tr>
</tbody>
</table>

Table 1 Active Projects in 2018

6. A number of various fiduciary assessments conducted in Somalia rate the Country’s PFM systems risks high. The financial management arrangements integrated into the design of the Bank supported projects have therefore been modified to take into account the unique country context and special requirements of fragility, capacity constraints and conflict.

B. Objective of the Assignment

7. The main objective of this assignment is to carry out an external audit and express an independent professional opinion(s) on the financial Statements of the projects effective and active projects as at end of the financial year ended 31 December 2018. The Consultant will work under direct supervision of the Federal Government of Somalia (FGS) Auditor General In expressing the opinion the Consultant/Auditor shall provide his or her independent opinion as to whether: -

a) The project funds received and expenditures incurred during the fiscal year were for the purpose intended.

b) Project books of accounts were kept based on the Generally Accepted Accounting Principles (GAAP) and the International Public Sector Accounting Standards (IPSAS) Cash Basis and the financial transactions therein reflect a true record of the transactions that took place during the period.

c) Adequate Internal Control processes and systems were maintained by the implementing agencies during the period under the audit.
C. Working arrangements

8. The Consultant shall work in consultation with the FGS Auditor General. However, there are circumstances under which the Consultant may be required to sign off the opinion. In order to build the capacity of the staff within the FGS Office of the Auditor General, the Consulting firm is expected to work jointly with the staff in these offices. The Auditor General are expected to appoint and second staff to work alongside the Consultant.

D. Scope of Services

9. The projects audits will be conducted in accordance with International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements), the Consultant will pay special attention to the risks of material misstatement of the financial statements due to fraud, in line with ISA 240: "The Auditor’s responsibilities relating to fraud in the audit of the financial statements". Amongst other things, the auditor should identify and assess these risks (of material misstatement of the financial statements), obtain sufficient appropriate audit evidence on the assessed risks, address appropriately identified or suspected fraud in his/her work and report to FGS any such fraud in line with the relevant World Bank Guidelines.

10. The Consultant shall do everything necessary to achieve the objectives stated above; and in so doing shall carry out all necessary tasks to satisfy him/herself, including but not necessarily limited to the following.

a) Confirmation if projects funds have been used in accordance with the conditions of the relevant financing agreements and disbursement letters. In doing so, pay due attention to economy, efficiency and the purposes for which the financing was provided. (Please refer to the respective project appraisal documents, financing agreements, disbursement letters, letters of no objections, work plans, procurement plans and any other relevant documents)

b) Counterpart funds (if any disbursed under the projects) have been provided and used in accordance with the relevant financing agreements and disbursement letters, and only for the purposes for which they were provided;

c) Establish the extent to which Goods, works, and services financed by the project funds have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Guidelines.

d) Establish if all supporting documents, records, reconciliations and accounts have been kept in respect to all projects activities including expenditures reported via the projects progress reports, Statements of Expenditure (SOEs), Interim Un-Audited Financial Reports (IFRs). Clear linkages should exist between the accounting records and the IFRs presented to the Bank and the audited annual financial statements.

e) Review and confirm the SOEs and IFRs fully reconcile with the Project Financial Statements.

f) The Designated Accounts (DAs) have been maintained in accordance with the provisions of the relevant financing agreements and disbursement letters.

g) The Projects Financial Statements (PFSs) have been prepared in accordance with GAAPs, IPSAS cash basis and relevant World Bank guidelines.
h) Ascertain if the PFS give true and fair view of the financial positions of the Projects over the period under the audit (31 December 2018) and of the resources and expenditures for the fiscal year.

i) Review the compliance to each of the projects grant agreements, any applicable national laws, financial management procedures approved under the projects (for instance the project implementation manuals, financial procedure manuals – External Assistance Fiduciary Section manuals).

j) Establish and confirm if the financial performance of the projects were satisfactory.

k) Establish that the assets purchased from the projects proceeds are recorded and proper records maintained.

l) Establish that the year end balances in cash and at the bank accounts are correct.

m) Ensure that the foreign exchange transactions (where applicable) are recorded at official rates.

n) Check that project funds received from the Bank under the projects as well as from other donors are maintained under separate ledgers (books).

o) Check the robustness and adequacy of the projects management against the documented processes in the projects manuals.

p) Confirm the existence of transactions and or audit trail in the financial information flows.

q) 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).

r) Request from the implementing agencies written confirmation concerning representations made in connection with the audit.

s) Verify that the project financial statements have been prepared in accordance with the agreed accounting standards and give a true and fair view of the financial position of the respective projects at the relevant dates and of resources and expenditures for the financial year ended on that date.

11. In carrying out the audit, the Consultant should pay particular attention as to compliance with the Bank’s procedures, eligibility of financial transactions during the period under the audit, fund balances at the end the period under the audit, the operation, and use of the designated accounts in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls and the peculiar financial management arrangements inherent with fragility in Somalia.

E. Specific Requirements – RCRF Project

12. In undertaking the external audit for the RCRF Project the Audit will take into consideration the project specific design requirement (including accountability arrangements for surge support) and undertake structured walkthrough test to corroborate the robustness of the Human Resource recruitment and payroll controls both at the Federal Level as well as Federal Member States (FMS). The Audit team will design sampling tests to ensure representative samples of expenditures charged and reported under the project both at the FGS and FMS are included in the sample test population. The audit procedures will pay specific attention to adequacy and justification of payroll exceptions, payroll changes, potentially ineligible expenditures, salary payments compliance to the Government budgeting procedures and appropriation Act, adequacy and sufficiency of payroll exceptions and changes documentation including specific payroll weaknesses and related issues identified in the various FM supervision reports and IFRs review feedback.

F. Fraud and Corruption
13. 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 Consultant 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.

14. Laws and Regulations: In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency 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”. Governance: Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of the entity as required by ISA 260, “Communication of Audit Matters with those Charged with Governance”. Risks: In order to reduce audit risk to an acceptable low level, determine the overall responses to assess risks at the financial statement level, and 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”.

G. Projects Financial Statements

15. The project financial statements should include but may not be limited to the following:
   a) Statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds if any.
   b) Summary of expenditures shown under the main project headings and by main categories of expenditure, both for the fiscal year under the audit, immediate fiscal years (where applicable) and accumulated expenditures from inception.
   c) Summary of report used as the basis for the submission of the withdrawal applications
   d) Designated Account Statement (Special Account Reconciliation Statement)
   e) Balance Sheet showing the accumulated funds, bank balances and other projects assets and liabilities.
   f) Summary of the principal accounting policies that have been adopted, and other explanatory notes;
   g) List of material assets acquired or procured with the projects funds over the period under the audit.

16. The Audit Firm (Consultant) should annex the following to the audited projects financial statements
   a) Independently prepared reconciliation of the amounts as “received by the Project from the World Bank”; with those shown as being disbursed by the Bank.
   b) Verify all statements of expenditures used as a basis for the submission of loan withdrawal applications to the World Bank. The Consultant will apply such tests and auditing procedures as considered necessary under the circumstances. To be annexed to the project financial statements is a schedule listing individual statements of expenditure withdrawal applications by specific reference numbers and amounts. The total withdrawals under the procedures for statements of expenditure should be part of the overall reconciliation of Bank disbursements.
   c) Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted in separate disclosure note and also in the management letters. The ineligible expenditures should be reconciled against the respective applications reference numbers.
17. In preparing the audit report, the Consultant should pay particular attention and satisfy him/herself as to whether:

a) The projects IFRs, SOEs and annual financial statements have been prepared in accordance with the provisions of the relevant financing agreement.

b) Expenditures have been made wholly and necessarily for the realization of projects objectives.

c) All information and explanation necessary for the purpose of the audit have been obtained.

d) Supporting records and documents necessary for the purpose of the audit have been retained, and

e) The financial reports can be relied upon to support the related withdrawal applications.

H. Designated Accounts

18. In addition to the audit of the project financial statements, the Consultant is also required to audit the activities of the designated account (special account reconciliations) associated with each of the projects. The DA usually comprises of the following:

a) Advances, deposits and replenishments received from the World Bank;

b) Payments and replenishments substantiated by withdrawal applications (SOEs)

c) Interest that may have been earned on the accounts, and which belongs to the projects (Government)

d) Withdrawals (including direct payments and blanket withdrawal applications) related to the project expenditures.

e) Statement of expenditures

f) Client connection disbursement statement

g) The remaining balances at the end of each fiscal year.

19. The Consultant should pay particular attention as to the compliance with the Bank's procedures and the balances of the Designated Accounts (DA) at the end of the fiscal year (or period). The Consultant 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 the DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letters, and the adequacy of internal controls for this type of disbursement mechanism. For these Projects, the DAs are referred to in the relevant general conditions, relevant financing agreements and disbursement letters.

I. Audit Reports

20. The Consultant will issue separate audit opinion for each of the PFS. In addition to the audit opinion, the Consultant will prepare a "management letter," in which the Consultant will:

a) Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;

b) Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;

c) Report on the lack of compliance of each financial covenant in the relevant financing agreement;

d) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of the projects.
e) Bring to the attention of the Government and the Bank any other matters that the Consultant considers pertinent; and

f) Include management's comments in the final management letter.

21. The financial statements, including the audit opinion and management letters should be submitted to Auditor General for review and sign off, implementing agencies and Ministry of Finance. In the parallel copies of the audited financial statements, management letters and management responses should be submitted directly to the Bank through the Project Coordinators. In event of any unforeseen delays the Consultant may be required to sign off the projects final audit opinion. The signed Audited financial statements together with the management letters should be submitted to the Bank promptly and in any case not later than 6 months after the end of the fiscal year under the audit. The Project’s implementing agency should then promptly forward two copies of the signed audited project financial statements (including audit opinion) and management letter to the Bank.

22. It is highly desirable that the Consultant becomes familiar with the Bank’s Guideline on Annual Financial Reporting for World Bank-Financed Activities (June 30, 2003), which summarizes the Bank’s financial reporting and auditing requirements. The Consultant should be familiar with World Bank Procurement Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grant by the World Bank Borrowers” dated January 2011(revised July 2014); and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grant by the World Bank Borrowers” dated January 2011 (revised July 2014), and. “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, (the Anti-Corruption Guidelines)” dated October 15, 2006 and revised in January 2011 which can be obtained from the project implementing agency. The Consultant should also be familiar with the Bank’s Disbursement Handbook for World Bank Clients, Disbursement Guidelines for Projects: (May 2006). These documents are available on the Bank’s website and can also be obtained from the Task Team Leaders (TTLs) at the World Bank.

23. The Consultant should understand that working papers under World Bank project can be subject to the review by Client’s and/or World Bank designated staff. There should be clear evidence of deep involvement of the staff in the Office of the Auditor General as well as transfer of knowledge to the staff. The expectation is that the staff would be able to carry out similar assignment thereafter. Copies of working papers generated on this assignment would be retained by the Office of the Auditor General. The consultant is expected to surrender all documents at the end of the assignment.

24. Optional Opinions (To be included as appropriate, i.e. based on project FM risk, complexities, governance issues and agreed project arrangement in the Project Appraisal Documents). The Consultant in consultation with the Auditor General (as necessary) may consider issuance of special opinion on specific matters:
<table>
<thead>
<tr>
<th>Special Opinion</th>
<th>Possible Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision and usage of other government contributions.</td>
<td>Past poor compliance with financing agreement terms relating to the provision and usage of government contribution or abuse of government contribution in the country or sector or Inappropriate usage of government contribution could affect the successful implementation of the project.</td>
</tr>
<tr>
<td>Entities that received funds met eligibility criteria</td>
<td>A component or components of the project involves transferring/releasing of funds to only entities that meet certain eligibility criteria or Where Aide Memoire, FM supervision, technical audit reports or previous experience in sector points to non-compliance with Financing agreement terms relating to eligibility criteria or If entities receiving funds do not meet eligibility criteria, project implementation will be impacted adversely</td>
</tr>
<tr>
<td>Use of Funds by Communities and Decentralized Entities</td>
<td>Where funds are transferred to communities and decentralized entities under the project, and the assessed risk for this activity is high or substantial.</td>
</tr>
<tr>
<td>Use of Funds</td>
<td>Where significant amounts of fund are transferred to related Government Ministries Departments and Agencies (MDAs), projects implementing entities, third parties (such vendors, consultants, civil servants, banks, debtors, creditors etc.) as the case may and the assessed risk for the activities are deemed high or substantial.</td>
</tr>
<tr>
<td>Use of Funds by line Ministries</td>
<td>Where significant amounts of funds are transferred to several line ministries and the assessed risk for this activity is high or substantial.</td>
</tr>
</tbody>
</table>

Table 2 – Special Opinions

J. General

25. The responsibility for the preparation of financial statements including adequate disclosure is that of the management of the FGS Ministry of Finance, Office of the Accountant General, External Assistance Fiduciary Section (EAFS), Villa Somalia Mogadishu. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the Projects. As part of the audit process, the Consultant will request from the Ministry a written confirmation concerning representations made in connection to the audit.

26. The Ministry of Finance at the federal and Puntland and the implementing Ministries Departments and Agencies (MDAs) will co-operate fully with the Consultant and will make available whatever records, documentation and other information is requested by the Consultant in carrying out the audit. The Consultant should be given access to all legal documents, correspondences and any other information deemed necessary by the Consultant. Independent confirmation should also be obtained of amounts disbursed and outstanding at the Bank and of amounts disbursed.
K. Duration and Location

27. The audit is expected to be delivered within 35 days from the commencement date. The audit assignment will be carried out in the Offices of the Accountant General (External Assistance Fiduciary Section - EAFS), FGS Ministry of Finance and Puntland Ministry of Finance, Garowe and Project offices in Mogadishu and Garowe with occasional visits to selected project implementing sites/MDAs. Field visits are anticipated during this audit engagement. The assignment is expected to commence on 01 May 2018. The consultant is expected to spend substantial part of the time in Mogadishu and some field based visits to the FMSs capital where projects proceeds are disbursed.

L. Reporting Requirements

28. The audit report, which should include an opinion on the project financial statements and should include a separate paragraph highlighting key internal control weaknesses and noncompliance with the financing agreement terms. The Consultant will be required to submit the following Reports:

a) Detailed work plan and Inception Report
b) Draft final report, management letters and management responses to be submitted to the Auditor General, Accountant General and the Project Coordinators and the World Bank
d) Audited financial statements, audit report and management letters including audit opinion signed by the Auditor General.
e) Audited financial statements, audit report and management letters to be received by the Bank.

M. Consultant’s Experience and Qualifications

29. The Consultant should be registered practicing audit firm with a recognized professional Accountancy Body. The firm should have 10 years’ experience in accounting and auditing of development projects, especially donor-funded operations. The key staff required for audit shall be provided in line with the following guidelines:

a) Partner/Team Leader (1)
The Audit Manager shall have master’s degree and at least 10 years’ experience in auditing and with a sound knowledge of donor-financed projects. He/she shall be a qualified professional accountant. In addition, he/she should be a member of a recognized accountancy professional body;

b) Audit Manager (1)
The Team Leader shall have at least a master’s degree in Auditing/Accounting with a minimum of 10 years’ experience in auditing with professional qualifications.

c) Auditor(s)
The Auditor(s) shall have at least a Bachelor’s Degree in Auditing/Accounting or Business Administration, at least 5 years’ experience in auditing and with a professional qualification.
d) Assistant Auditor(s)
The Assistant Auditors shall have at least a Bachelor’s Degree in Auditing/Accounting or Business Administration, at least 3 years’ experience in auditing and with a professional qualification.

N. Duties of the Client

30. The client is responsible for the following:
   a) Preparation of the Project financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), including relevant disclosures.
   b) Selection and application of relevant accounting policies.
   c) Office space for the consultant
      Relevant project documents and policies for the assignment including the Project Appraisal Document (PAD); the Financing Agreement; Financial Procedures Manual and any other document that will facilitate the audit.

O. Specific Duties of the Consultant

31. The Consultant is responsible for the following:
   a) Prepare a detailed work-plan for each project (based on the review of the project PAD, Financing Agreements, FM manual and others within first one week of assignment)
   b) Prepare an audit methodology
   c) Planning meeting with the Auditor General, Project Teams, Ministry of Finance (Accountant General - EAFS), Consultants and any other necessary parties as necessary
   d) Planning meeting with World Bank Project TTLs, Procurement Specialists and Financial Management Specialists to agree on areas of concern and request for additional review to facilitate the audit.
   e) Audit Plan and selection of samples
   f) Prepare and sign engagement letters with each project team
   g) Field work in Mogadishu for all projects
   h) Draft Report for all projects including management letters
   i) Liaise with Auditor General and Auditor General’s staff to finalize the audit
   j) Obtain project management’s response to management letter issues and incorporate in report
   k) Produce final reports on in line with the stipulated guidelines
   l) Any other work that the consultant finds necessary in order to carry out the assignment in a timely and qualitative way.
   m) Draft capacity building report on audit capacity building activities/on-job-training to Office of the Auditor General.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Project</th>
<th>Date Effective</th>
<th>Closing Date</th>
<th>Project Cost (US$)</th>
<th>Amount Disbursed in 2018 as of 31 December 2018 (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recurrent Cost and Reform Financing (RCRFII) Project (P154875) –FGS, PL, JSS, ISWA, IGA</td>
<td>2 July, 2015</td>
<td>30 June, 2020</td>
<td>144,000,000</td>
<td>22,285,916</td>
</tr>
<tr>
<td>2</td>
<td>Public Financial Management Capacity</td>
<td>9 September, 2015</td>
<td>30 June, 2018</td>
<td>20,000,000</td>
<td>5,434,442</td>
</tr>
<tr>
<td>S/N</td>
<td>Project</td>
<td>Date Effective</td>
<td>Closing Date</td>
<td>Project Cost (US$)</td>
<td>Amount Disbursed in 2018 as of 31 December 2018 (US$)</td>
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<tr>
<td>3</td>
<td>Strengthening Project Phase II (P151492) – FGS, PL</td>
<td>15 June, 2015</td>
<td>31 March, 2018</td>
<td>14,000,000</td>
<td>2,941,072</td>
</tr>
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<td>4</td>
<td>ICT Sector Support in Somalia Phase II (P152358) – FGS, PL</td>
<td>13 October, 2015</td>
<td>30 June, 2020</td>
<td>30,000,000</td>
<td>4,261,582</td>
</tr>
<tr>
<td>5</td>
<td>Capacity Injection Project (CIP) (P149971) – FGS</td>
<td>25 January, 2016</td>
<td>31 August, 2018</td>
<td>6,000,000</td>
<td>1,762,713</td>
</tr>
<tr>
<td>6</td>
<td>Special Financing Facility for Local Development (P156257)- TFA1715- FGS</td>
<td>29 July, 2016</td>
<td>30 April, 2018</td>
<td>6,000,000</td>
<td>979,208</td>
</tr>
<tr>
<td>7</td>
<td>Somali Urban Investment Planning (P150374) – TFA1754 – FGS, PL</td>
<td>16 May, 2016</td>
<td>30 April, 2019</td>
<td>28,500,000</td>
<td>1,492,895</td>
</tr>
</tbody>
</table>

Table 3 – Projects to be audited under this TOR

**Notes:**

1. The PFM II and CIP projects have separate Designated bank Accounts (DAs) managed directly by Puntland. The Audit may be required to issue two audit reports for each of the DA under these projects.

2. Recurrent Cost and Reform Financing (RCRFII) Project (P154875) has two sets of Accounts to be audited. One for the FGS and another for the regional states for which Puntland and Jubaland will have to be audited for the 12 Months period to 31 December 2018. This will involve traveling briefly to the states.