

# ZAMBEZI WATERCOURSE COMMISSION



## Terms of Reference Individual Consultancy Services

### INTERNAL AUDITOR

Programme for Integrated Development and Adaptation to Climate Change  
(PIDACC) – Zambezi Regional Project

Project ID: P-21-C00-96

## 1. Introduction

The Zambezi Watercourse Commission (ZAMCOM) has received a grant from the African Development Fund (Bank/ADF) to finance the Regional (ZAMCOM) Project of the Programme for Integrated Development and Adaptation to Climate Change in the Zambezi Basin (PIDACC Zambezi).

ZAMCOM is an inter-governmental organization established by the eight countries that share the Zambezi watercourse. These are: The Republic of Angola; The Republic of Botswana; The Republic of Malawi; The Republic of Mozambique; The Republic of Namibia; The United Republic of Tanzania; The Republic of Zambia; and The Republic of Zimbabwe. The basis for the cooperation is the ZAMCOM Agreement on establishing the permanent Zambezi Watercourse Commission. The Agreement was signed in 2004 and came into force in 2011. The Commission is hosted and headquartered in Harare, Zimbabwe.

ZAMCOM's vision envisages a future characterised by equitable and sustainable utilisation of water for social and environmental justice, regional integration and economic benefit for present and future generations. In pursuit of that future, ZAMCOM strives to promote the equitable and reasonable utilisation of the water resources of the Zambezi Watercourse as well as the efficient management and sustainable development thereof.

PIDACC Zambezi is targeting at least 64.8% of the Zambezi Watercourse's mainly rural population that largely depends on rain-fed subsistence agriculture that is extremely vulnerable to climate change and lack of investment in the development of resilient water infrastructure. Most of this population comprises socially disadvantaged groups, mostly women, the youth and physically challenged. About 96.5% of agricultural activity in the Watercourse is rain-fed and most of it is smallholder farming. Poverty is at critical levels amongst the rural population. About 44% of the basin's population in the Riparian States lives below the poverty line.

The program will address several challenges that impact livelihoods and development in all the eight (8) riparian countries of the Zambezi Watercourse. The programme will be implemented over five years (2023 – 2028). PIDACC Zambezi's development objective is to build strong communities that are resilient to climatic and economic shocks, through promoting inclusive, transformative investments, job creation, and ecosystem-based solutions. The design of the programme was based on the strategic documents developed and approved by ZAMCOM including the ZAMCOM Strategic Plan (ZSP, 2018 – 2040), a long-term Programmatic Planning and Operational Framework for water resources management and development within the Zambezi Watercourse.

The Commission intends to apply part of the PIDACC Zambezi grant towards payment for Consultancy services towards Internal Audit Services who shall provide independent assurance that ZAMCOM's risk management, governance and internal control processes are operating effectively.

## **2. Objectives of the Internal Audit**

The objective of this assignment is to provide a reliable and valued assessment on the effectiveness of the system of internal controls mitigating current and evolving risks aiming at enhancing effectiveness of the risk management culture within the Commission and the Programme.

The specific objectives are:

- To review accounting and internal control systems,
- To examine financial and operating information,
- To review Value for Money (i.e. economy, efficiency, and effectiveness),
- To review of compliance with laws and regulations,
- To review arrangements for the safeguarding of assets,
- To review strategic goals of the Commission,
- To review implementation objectives of the Programme
- To review significant risks to the organisation and monitoring risk management, policy and risk management strategies,
- Special investigations as required.

## **3. Scope of the Internal Audit**

The Internal Auditor is required to produce and present an opinion on the adequacy, effectiveness and sustainability of the control processes to the Executive Secretary and ZAMCOM Technical Committee (ZAMTEC).

To provide the opinion, Internal Audit shall:

- Prepare a strategic Internal Audit Plan based on own assessment of key areas of risk to the Programme and the Commission's operations, those in the strategic plan,
- The plans should indicate the scope and timelines of each audit,
- Prepare audit reports directed to the Commission detailing its performance against the plan to allow effective monitoring and intervention,
- Coordinate with external audit providers of assurance to ensure proper coverage and minimal duplication of effort,
- Assist in maintaining effective controls by evaluating those controls and developing recommendations for enhancement or improvement.
- Ensure the adequacy of established systems and procedures are assessed.

All audits are to be carried out according to the audit plan approved by ZAMCOM through ZAMTEC. In addition, the ZAMTEC who will be responsible for audit will monitor implementation of audit recommendations.

## **4. Specific Procedures to be Performed**

### **a) Authorisation of expenditure**

- Expenditure authorised in accordance with the policies and procedures.
- Expenditure included in activity detailed in the work plan.

- Expenditure supported by documentation consistent with Commission policies and procedures.
- b) Procurement of goods and services
  - Competitive bids are obtained for expenditure described in the workplan,
  - Procurement of goods and services is consistent with the Commission's rules and procedures and those of Cooperating Partners signed agreements,
  - Goods and services agree with those required by the workplan.
- c) Adequacy of accounting and financial operations and reporting system
  - The Commission has accounting manual or guidelines,
  - The accounting methodology complies with applicable standards in the host country,
  - Duties are segregated between the components of the accounting and management departments,
  - Separate accounting records, sub-ledgers are maintained to against funding from different funding sources,
  - The Commission prepares monthly bank reconciliation for all the different bank accounts held,
- d) Maintenance and security of accounting records
  - The Commission have security procedures to protect against theft, damage or loss of data,
  - The Commission has a document retention policy that conforms with Projects/Programmes Financing Agreements or Host country regulations.
- e) Safeguarding Assets
  - Physical security of the assets is ensured,
  - Valid insurance for all tangible assets is maintained.

## **5. Expected Outcomes and Deliverables**

### **a) Executing the Audit Assignment**

Each assignment should at least consist of the following:

- A pre-audit survey and an audit planning memorandum
- Inception meeting minutes
- A Risk Assessment Report
- Audit findings and recommendations
- Reporting (a draft internal audit report and a final internal audit report) and follow up on previous audit findings.

### **b) Reporting and Approvals**

- The Internal Auditor shall deliver Final Reports to the Chairperson of the ZAMTEC and Executive Secretary of ZAMCOM by Email.
- The Internal Auditor must produce written reports within one (1) month of completion of each audit, giving an opinion on the area reviewed and making recommendations where appropriate,

- Incorporate Management responses to each audit within one (1) month of issue, stating proposed action with a timetable for implementation of agreed recommendations,
- Present the Final Reports online via ZOOM Platform.
- Material recommendations to be followed up some weeks to six (6) months later,
- The structure of the Report should cover but not limited to the following:
  - Audit objective and scope,
  - Executive Summary highlighting significant findings,
  - Findings, recommendations and management responses (including remedial action timelines).

## **6. Independence and Objectivity**

- In carrying out the assignment, the Internal Auditor must maintain objective judgement by remaining independent of the activities they audit.
- Any events that arise during the delivery of the audits which may impair independence, or objectivity must be reported to the Executive Secretary and subsequently to the Chair of the Board (ZAMTECH).
- The Internal Auditor will report directly the Audit Committee
- The appointment or termination of the appointment of the Internal Auditor must be approved by the Board.
- Before each audit, the Executive Secretary must get confirmation from the Internal Auditor on the ongoing independence and objectivity to audit the Programme and the Commission.
- The Internal Auditor must not undertake an audit covering an area where the auditor has competing professional or personal interest. Any such interest should be notified to the Executive Secretary.

## **7. Consulting Services**

- The internal audit activity may provide assurance services where it had previously performed consulting services provided the nature of the consultancy did not impair objectivity.
- If there are concerns that consultancy engagement may impair future assurance review, the Internal Auditor may be required to disengage on either of the consultancy or internal audit services and allowing engagement of an independent Consultant or Internal Auditor.

## **8. Liaison**

The Internal Auditor shall liaise with the External Auditors to optimise the audit services provided to the Commission.

## **9. Powers**

The Internal Auditor shall:

- have right to access all premises of the Commission and right to inspect all correspondences, files, records, accounts and all other forms of information held by the Commission as necessary for the performance of the audit duties,
- have right to require all officers of the Commission to supply such information and explanations as are necessary for the performance of the audit duties,
- comply to any requests from External Auditors or African Development Bank and other Partners providing financing to the Programme and ZAMCOM, access to any further information, files or working papers obtained or prepared during the audit work that they need to discharge their responsibilities.

## **10. Qualifications**

The Internal Auditor must have the following qualifications and experience:

1. A professional qualification in any of the following; CA, CPA, ACCA, CIA,
2. Relevant professional certification in Audit or Risk,
3. Minimum of five (5) years' experience at managerial level in the internal control/audit function,
4. Demonstrable track record, knowledge and experience in auditing at least three (3) donor funded projects/programmes or Multilateral Development Banks (MDBs) within the last five (5) years as either internal or external auditor.

## **11. Duration of the Assignment**

The assignment will be done for a three (3) year period from 2025 to 2028 and the first audit will commence seven (7) days from the date of signing the Contract. Due to volume of transactions, the auditor is expected to undertake two (2) audits evenly spaced within the duration of the engagement. The second audit shall be subject to satisfactory performance through a performance evaluation.