

**Ministry of Public Works and Transport
Department of Inspection
Lao Road Sector Project 2 (P158504)**

**Terms of Reference
Internal Control Consultant (Local Consultant)
(No. C2-04 Component 2)**

BACKGROUND

The Government of Lao PDR, Ministry of Public Works and Transport (MPWT) is in the process of starting to restructure MPWT to implement a centralized of Internal Audit function which will manage all aspects of Internal Audit and Controls. The provincial level, especially for other projects financed by government and donors such as Lao Road Sector Project phase 2 (LRSP2).

The MPWT of Lao PDR has received financing support from World Bank and the Nordic Development Fund (NDF) to implement Lao Road Sector Project 2 (LRSP2 or the Project) (March 2017-August 2022), which will support MPWT strengthen its capacity at both central and local levels to manage local road improvement and maintenance. The European Investment Bank (EIB) has also expressed interest to provide financing support to the implementation of the road local road development program designed under LRSP2. The WB has approved a credit of approximately USD 25 million, and NDF a grant for a Technical Assistance (TA) program amounting to EUR 5 million and a loan not exceeding EUR 6 million to finance the LRSP2. In addition, the Road Maintenance Funds (RMF) will contribute approximately USD 7 million, and the 6 participating provinces also will contribute around USD 3 million to the Project.

The Project Development Objective (“PDO”) is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

LRSP2 consists of four components: (1) Climate Resilient Road Maintenance, (2) Institutional Strengthening, (3) Project Management Support, and (4) Emergency Response. This consultancy falls under component 2, specifically Sub-component 2.2.1 – Strengthening Internal Control.

Department of Inspection (DoI) intends to recruit an individual consultant (the Consultant) at central level to assist DoI in the implementation of Internal Audits and Internal Control System (ICS) under DoI and procedures developed under the LRSP. The Consultant will be recruited using the Individual Consultant (IC) method following the World Bank’s “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011, as amended from time to time). The services are described in this TOR.

OBJECTIVES OF THE ASSIGNMENT

Under LRSP 1, Department of Inspection (DoI) of MPWT received financing from World Bank to recruit technical advisor, Nanjing Audit University for producing financial audit manual, financial audit working papers, technical audit manual, technical audit working papers, quality assurance guidance, strategy for internal auditing plan, and strategy for financial management system (the

Internal Control Manuals) which have been developed by Nanjing University. Therefore, DoI is looking for consultant to assist in implementation of Internal Control Manual.

DETAILED SCOPE OF WORK

The tasks of Consultant will include, but not be limited to the following:

- Assessment of training needs in area of inspection for MPWT and DPWTs, identify the current level of internal control management expertise, internal financial audit skills and the key capacity gaps.
- Preparing capacity building plan based on result from training needs assessment, Strategy for Internal Auditing and Strategy for Financial Management System.
- Introducing and implementing the internal control system, internal control manuals to MPWT and DPWTs at least twice a year.
- Advice DoI in the selection of 2 pilot road projects funded by the government and foreign grant/loan for performing internal audit. Lead the pilot internal audit in accordance with the manuals (especially financial audit manual, financial audit working papers, strategy for financial management system and strategy for internal auditing plan) and provide on job training to internal control/inspection staff and complete the Standard Internal Control/Audit Report form.
- Preparation of the monthly Internal Control Report (ICRs) and quarterly progress report for LRSP2.
- Review existing manuals and evaluation of the internal control system with recommendation to improving in future.
- Review and update ICR manuals.

REQUIREMENTS

The Consultant should have the following qualifications and experience:

1	Minimum of Bachelor Degree in one of following areas of academic qualification: in finance, accounting, economics, business administration, public administration, or engineering.
2	Minimum of 7 years' experience in arranging training courses, on the job coaching, mentoring, and development of course materials and delivery of training courses.
3	Minimum of 7 years' experience in working as external or internal auditor, granted professional certificate from Lao CPA or internationally recognized accounting or internal audit qualification is desirable.
4	Familiarity with infrastructure development projects and ODA financed projects.
5	Basic knowledge of major donors e.g. World Bank, ADB etc. Procurement and Disbursement guidelines and procedures is preferable.
6	Ability to read, write and speak English and Lao fluently
7	Strong command of Ms Office® software (Word, Excel, PowerPoint).

TIME FRAME

A qualified national consultant will be recruited for 24 person-months for this assignment. There is a possibility for extension of the contract subject to performance and business needs. The

Consultant will report directly to Director of ICD, and Deputy/Director General of DoI, coordinated and supervised by ICD under DoI which is responsible for all internal inspection activities of projects, internal control, including technical control, technical audit and activities done against the project contracts. Duty station is in the office of the ICD/DoI in Vientiane Capital. The assignment is scheduled for commencement in the October 2017.

DELIVERABLES

The Consultant will be required to deliver, but not be limited to the following tasks:

- Inception report within four week after commencement.
- Report on training needs assessment within 2 months upon agreement on the inception report.
- Standard Internal Control Report form by December 2018.
- Quarterly progress report for LRSP within 35 days of following quarter.
- Five years capacity building plan for internal control (FY 2018-2022).
- Update Internal Control Manuals on regularly basis.

ADMINISTRATIVE ARRANGEMENTS

MPWT, DoI will provide office space, access to information and the cooperation of the staff, transportation when visiting provinces and carrying out training courses at central and provincial levels.