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Global operation department (GO)

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TERMS OF REFERENCE FOR THE RECRUITMENT OF AN INTERNAL AUDIT CONSULTANT

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1. BACKGROUND INFORMATION

1.1. Partner and beneficiary entity

The Organisation of African, Caribbean and Pacific States (OACPS).

1.2. Contracting authority

The Secretariat of the Organisation of African, Caribbean and Pacific States.

1.3. Background

Comprising 79 Member States from Africa, the Caribbean, and the Pacific, the Organisation of African, Caribbean, and Pacific States (OACPS) strives to achieve the sustainable development of its members and their progressive integration into the world economy. As the largest group of southern countries, the OACPS recognises its structure and history as a form of South-South cooperation and aims to strengthen its role in promoting and coordinating South-South and Triangular Cooperation (SSTC), a key strategy for development and for achieving the Sustainable Development Goals.

Created by the Georgetown Agreement in 1975, the organisation continued to evolve to adequately deliver its mandate. With the signing of the Samoa agreement in 2023, the organisation entered into a new relationship with one of its biggest partners, the European Union, and continues to diversify its strategic partnerships with the Global South.

In fulfilling its mandate, the OACPS maintains liaison offices to strengthen its international presence and ensure closer coordination and the implementation of specific programmes.

1.4. Current situation in the sector

The OACPS has three Department, The Office of the Secretary General (OSG) , the Department of Policy and Programs (PP) and the Department of Global Operations (GO).

Between 2024 and 2025, the organisation underwent a major restructuring reflecting its new role, resulting in significant downsizing of staff and focus areas.

The Department of Global Operations requires an internal auditor. At present, under the overall guidance of the Assistant Secretary General (ASG), the Finance Unit ensures the accuracy, compliance, and completeness of all financial transactions processed by the OACPS Secretariat. This includes preparing payment files, ensuring correct budgetary booking of commitments and payments, keeping the accounting system up to date, processing all tender launches, managing petty cash, and ensuring that financial reporting is transparent and timely.

It is to be noted that the Secretariat does not have a Financial Controller. Related duties have been carried out by the present team within the Unit.

During the restructuring process, there were no significant number of transactions, whereas in the near future the administrative and financial workload is expected to be comparable to that of 2024. Accordingly, that year could be considered a reference.

In 2024, the OACPS was implementing:

- an EU co-funded 8.6 million EUR Operating Grant paid through some 300 transactions;
- an Action Grant amounting to some 800 000 EUR, covering 3 main meetings with some 100 participants per meeting, as well as several missions for OACPS staff and other related costs;
- Other OACPS core fund activities are largely linked to operational costs.

During the implementation period, it is expected that similar support from the EU could be envisaged through another so-called Action grant (18 months) amounting to some 4 to 5 million EUR, as well as through programmes and projects supported by the OACPS Member States and other partners and donors.

2. OBJECTIVES & EXPECTED OUTPUTS

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation achieve its objectives by applying a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The primary role of Internal Audit is to help the OACPS protect the organisation's assets, reputation and sustainability.

The key objective of internal audit is to provide the Secretariat with a reliable, valuable and timely assessment of the effectiveness of the internal control system in mitigating current and evolving key risks, and, in doing so, to assist the group in enhancing the effectiveness of the risk management culture within the OACPS.

Internal audit's work also helps management assess whether the organisation's processes and actions are in line with its values, ethics, risk culture and other policies.

The service provider must demonstrate the capability to deliver internal audit services in accordance with the Institute of Internal Auditing Standards and Practices and any relevant legislation.

2.1. Overall objective

The overall objective (Impact) to which this action contributes is to strengthen the OACPS Secretariat's governance, risk management, and internal control systems.

2.2. Specific objective(s)

The specific objective(s) (outcome(s)) of this contract [is] [are] as follows:

Overall, increase stakeholder confidence in the Secretariat's management and oversight systems by:

Outcome 1 – Risk-Based Audit Planning and Framework Established

- improving accountability, transparency, and operational efficiency
- enhancing the organization's risk management culture
- strengthen compliance with applicable rules and procedures
- improve the safeguarding of both financial and operational resources,

During the inception phase, a comprehensive risk assessment, a risk matrix, and an annual internal audit plan will be delivered to ensure that audit activities are fully aligned with the Secretariat's risk profile and priorities.

Outcome 2 – Continuous Independent Audit Assurance and Control Improvement

Quarterly (and annual) audit reports will provide systematic, independent assurance on expenditure, compliance, and internal controls, and support the continuous monitoring and improvement of financial and operational management systems.

Outcome 3 – Strengthened Accountability and Strategic Institutional Learning

A functioning recommendation follow-up system will ensure the tracking and implementation of audit findings, while the draft final and final reports will provide a consolidated strategic assessment of systemic risks, key findings, and priority areas for institutional strengthening.

2.3. Expected outputs to be achieved by the contractor

Payment will be made upon delivery of the specified output(s). Payments may be withheld in full or in part if the contractual result(s) have not been achieved in accordance with the detailed terms of reference. Payment(s) are based on the approval of this/these deliverable(s). Partial payment must be determined according to the extent of implementation of the output(s).

The expected outputs of this contract are as follows:

- During inception phase:
 - Provide an assessment of the key risk areas for the OACPS Secretariat, taking into account the Secretariat's current operations
 - Identify and assess the risks associated with those processes that operate to achieve the objectives, and build a risk matrix accordingly;
 - Prepare an annual Internal Audit Plan based on its assessment of key risk areas for the OACPS Secretariat;

Refer to sections 4 and 7 below for more detailed description of expected results and activities.

- During the execution phase, each quarter, the service provider is to:
 - Except for the 1st-quarter review, review the implementation of the recommendation previously provided to the OACPS
 - conduct an independent and objective Internal Audit of the quarter's expenditures
 - provide recommended actions to improve the adequacy and effectiveness of the OACPS Secretariat's governance, risk management and internal control arrangements, or to secure improved efficiency or economies within those arrangements, as identified during all assurance and consulting engagements

Any material defects must be reported immediately to the Secretary General of the OACPS.

Refer to sections 4 and 7 below for more detailed description of expected results and activities.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project

- The OACPS Secretariat provides timely access to all relevant financial, operational, and administrative information, systems, and documentation.
- OACPS staff and management are available for interviews, validations, and audit discussions.
- The OACPS fully cooperates and provides timely feedback on draft reports and deliverables.
- The institutional and operational context of the OACPS Secretariat remains sufficiently stable to enable the implementation of the audit plans.
- Management will consider and address audit recommendations in a timely manner.

3.2. Risks

- Delays or limited access to information and documentation, which may affect the scope or timing of audit work.
- Insufficient availability of key staff, which may delay interviews, validation of findings, or clarification of issues.
- Low implementation rate of audit recommendations, which may reduce the overall impact of the assignment.
- Changes in organizational priorities or structure, which may affect audit planning and continuity of work.
- Delays in review and approval of deliverables, which may impact reporting timelines.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Description of the assignment

Carry out the mandate of the Internal Audit function in accordance with the OACPS Internal Audit approved annual plan, to be proposed by the service provider and to be approved by the OACPS Secretary General.

The work to be conducted is in accordance with International Standards on Auditing (ISA) issued by IFAC, in line with the objectives and approach of the audit, as well as the respective obligations of OACPS and Auditors.

4.1.2. Geographical area to be covered

The OACPS covers 79 countries. Although the geographic scope of its support extends beyond its Member States, its administration and records are kept at its Brussels HQ and, to some extent, at OACPS antennas in Geneva and Malabo.

4.2. Specific work

- During inception phase:
 - Assessment of key areas of risk for the OACPS Secretariat, taking into account the Secretariat's current operations. Identify and assess the risks associated with the processes that operate to achieve the objectives and build a risk matrix accordingly. Among others, the following is expected;
 - Audit the reliability and integrity of financial and operating information, and the means of identifying, measuring, classifying and reporting such information
 - Evaluate the adequacy, effectiveness and sustainability of controls, both financial and non-financial, around those points in the processes that, if they were to fail, would have a material impact on the organisation
 - Review the adequacy and effectiveness of the control processes in place for significant change projects, and, based on an assessment of risk, review the adequacy of the underlying control framework being implemented.
 - Review the appropriateness of management action in relation to risks where current control mechanisms are inadequate.
 - Confirm that accounting and other information is reliable as a basis for producing financial, statistical and other reports used for external and internal reporting and decision-making.
 - Confirm the extent to which internal control systems ensure compliance with laws, regulations, policies and procedures, and other applicable standards.
 - Confirm the extent to which assets and interests entrusted to or funded by the Secretariat are properly controlled and safeguarded against loss arising from improprieties, including fraud, corruption and other irregularities

- Prepare the annual Internal Audit Plan based on its assessment of key risk areas for the OACPS Secretariat;
- Prepare an Annual Audit Plan for approval by the Secretary General of the OACPS. The Plan should be flexible and may be updated to reflect any changes to the organisation's risk profile during the year. Any resulting amendments to the Plan must be formally approved by the OACPS Secretary General.
- Each quarter:
 - Except for the 1st-quarter, review the implementation of the recommendation previously provided to the OACPS
 - perform an independent and objective Internal Audit of the quarterly expenditure
 - perform Information Technology (IT) audits
 - perform an independent audit of human resources practices, such as performance management, recruitment, and legislative compliance.
 - Perform a review of risk management and treatment processes. Consider the organisation's risk management and control culture.
 - provide its recommendations for the improvement of the operational, accounting and financial systems and procedures

4.3. Project management

4.3.1. Responsible body

The Office of the Secretary-General of the OACPS will be responsible for managing the contract/project.

4.3.2. Management structure

The decisions and required approvals for implementing the tasks are the sole responsibility of the Secretary General of the OACPS.

Internal Audit's role and functions are distinct from those of external regulators and other assurance and oversight providers. However, Internal Audit will work with other such organisations to ensure that assurance from both internal and external resources is delivered in the most cost-effective manner and to help ensure that the Secretary General, the Assistant Secretary General and the Heads of Departments/Units receive a comprehensive assessment of the overall control environment.

Internal Audit serves as a point of reference for risk and control issues, providing ad hoc advice to SG and top management and conducting special reviews and investigations where appropriate. Advice will be provided only where it does not compromise the required independence of the Audit function.

The quarterly and annual reports are to be presented to the Secretary General and the Audit & Budget Subcommittee of the OACPS, which meets at least three times a year.

4.3.3. Facilities to be provided by the contracting authority and/or other parties

During the field missions of the audit team, the OACPS will make available office space at its HQ in Brussels.

The internal audit service will have the authority to access all necessary records, personnel, and physical assets of the organization. The auditor will perform all procedures in accordance with the agreed-upon standards and terms of reference but will not be involved in day-to-day management or the development of systems. The auditor will have no executive or managerial powers, except those directly related to the audit function.

5. LOGISTICS AND TIMING

5.1. Location

The services are to be performed on site in OACPS HQ in Brussels. It is expected that the field work of the audit team is to be performed at the HQ of the OACPS in Brussels.

Should it be considered needed by parties, services may be required to be performed in OACPS antennas in Geneva and Malabo. For that effect revision of the services conditions would be negotiated.

5.2. Start date & period of implementation of tasks

The intended start date is as soon as possible and the period of implementation to be covered by the present contract is 2026 (the 4 quarters of 2026) with a possibility to be renewed.

6. REQUIREMENTS

6.1. Personnel

Note that civil servants and other staff of the public administration of the partner country, or of international/regional organisations based in the country, shall only be able to provide input as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well on any potential interference or conflict of interest of the proposed expert in his/her function as expert and his/her present or previous functions working as civil servant. Moreover, proof should be submitted that the expert is seconded or on personal leave.

The selection procedures used by the contractor to select the experts who provide input to the contract must be transparent, must guarantee the absence of professional conflicting interests and the absence of any discrimination based on former or current nationality, gender, place of residence, or any other ground. The findings of the selection panel must be recorded.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The Contractor and all experts must preserve the confidentiality of all documents, information, and interview findings made available or collected during the performance of the assignment.

6.1.1. Experts

The service supplier is to make available a Team Leader who must be a certified public accountant (CPA), Chartered Accountant (CA), ACCA member, or equivalent internationally recognised professional qualification, with at least ten (10) years of experience in auditing international or \Regional Organisations according to generally accepted standards.

The Team Leader shall demonstrate:

- extensive experience in risk-based internal auditing;
- proven experience in developing strategic and annual internal audit plans;
- strong knowledge of governance, internal control, compliance, and enterprise risk management systems;
- experience in audit processes of EU-funded programmes and/or international organisations;
- excellent analytical, drafting, and reporting skills;
- experience in leading multidisciplinary audit teams;
- fluency in English and/or French

The Team Leader is expected to be supported by experts with complementary expertise in finance, EU-funded operations, information systems auditing, organisational governance, and human resources audit with availability of senior experts on-site.

The minimum requirements covered by the team of experts as a whole are detailed below:

- Qualifications

The team of experts collectively shall possess:

- University degree (Master's level preferred) in Accounting, Finance, Auditing, Business Administration, Economics, Information Systems, Human Resources, Law, Public Administration, or related fields;
- Professionally recognized certifications such as CPA, CA, ACCA, CIA, CISA, CFE, or equivalent;
- Sound knowledge of:
 - International Standards for the Professional Practice of Internal Auditing (IIA Standards);
 - International Public Sector Accounting Standards (IPSAS) and/or IFRS;

- EU financial regulations and donor compliance frameworks;
 - Internal control frameworks (e.g. COSO).
 - o Fluency in English and/or French
- General Experience
- The team of experts collectively shall demonstrate:
- o at least ten (10) years of professional experience in auditing, financial management, governance, compliance, or risk management;
 - o experience working with international organisations, regional organisations, public institutions, EU-funded programmes, or donor-funded entities;
 - o demonstrated experience in conducting risk-based internal audits;
 - o experience in organisational governance and internal control assessments;
 - o experience in drafting audit reports and providing actionable recommendations to senior management
- Specific Experience
- The team of experts collectively shall demonstrate proven experience in:
- o preparation of strategic multi-year and annual internal audit plans;
 - o assessment of governance, risk management, and internal control systems;
 - o auditing financial and operational processes;
 - o review of compliance with laws, regulations, policies, and procedures;
 - o fraud risk assessment and anti-corruption control reviews;
 - o auditing procurement and grant management systems;
 - o conducting Information Technology (IT) audits and assessment of IT controls;
 - o conducting human resources and performance management audits;
 - o review of change management and institutional reform processes;
 - o evaluation of the reliability and integrity of financial and operational information;
 - o formulation of practical recommendations for strengthening internal controls, operational efficiency, and accountability mechanisms.

6.1.2. Support facilities & backstopping

The costs for support facilities, including backstopping, are included in the tenderer's financial offer.

6.2. Office accommodation

During field missions, office accommodation for each expert providing input to the contract will be made available by the contracting authority at its HQ in Brussels.

6.3. Facilities to be provided by the contractor

The contractor shall ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

6.4. Equipment

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract which is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

7. REPORTS

7.1. Reporting requirements

The contractor will submit the following reports in English in one original and 3 copies:

- **Inception Report** to be submitted after three (3) weeks from the start of implementation. In line with section 2.3. and 4.2 of the present Terms of Reference, it should include at least:
 - ✓ an assessment of key areas of risk for OACPS Secretariat,
 - ✓ an annual Internal Audit Plan based on its assessment of key areas of risk for OACPS Secretariat;
 - ✓ The first draft Annual Audit Plan

Additionally, the report shall describe:

- the methodology and approach to be applied during the assignment;
- initial findings and observations;
- progress made in collecting and reviewing relevant information and documentation;
- any difficulties encountered or foreseen;
- the proposed work programme, including indicative timelines and staff travel, where applicable.

Except for the Annual Plan, the contractor should proceed with their work unless the contracting authority sends comments on the inception report within 2 weeks of receipt. As for the Annual Plan, approval by the Secretary General of the OACPS is required.

- **Quarterly Interim Audit Reports** to be submitted the latest by four (4) weeks from the end of each civil quarter (*January to March / April to June / July to September / October to December*).

Important note: For each 4th quarterly report, the report should cover the entire year and, as such, be called the Annual Audit Report.

Each Quarterly Report/Annual Report shall include, as applicable:

- ✓ review of the implementation status of previous audit recommendations;
- ✓ findings arising from the audit of quarterly expenditures;
- ✓ assessment of compliance with applicable regulations, policies, procedures, and internal controls;
- ✓ identification of weaknesses, control gaps, risks, or irregularities;
- ✓ assessment of the adequacy and effectiveness of operational, accounting, and financial management systems;
- ✓ recommendations for corrective actions and process improvements;
- ✓ management responses and agreed action plans, where applicable.

The Quarterly Internal Audit Report shall clearly distinguish:

- high-risk findings,
- medium-risk findings,
- low-risk findings,
and shall include practical, prioritised, and actionable recommendations, together with indicative implementation timelines where appropriate.

Additionally, the report shall describe the audit work performed during the reporting period, the progress achieved in implementing the Annual Audit Plan, any significant constraints or difficulties encountered, and any emerging risks or issues requiring management attention.

- The service provider shall maintain a **Quarterly update of the Recommendation Follow-Up Matrix tracking**:
 - recommendations issued;
 - responsible departments/persons;
 - agreed implementation timelines;
 - implementation status;
 - outstanding or overdue actions.

The updated Recommendation Follow-Up Matrix shall be submitted together with each Quarterly Interim Audit Report and shall highlight progress made in the implementation of previous audit recommendations

- **Draft final report.** This report shall be submitted no later than (4) weeks before the end of the period of implementation of tasks.

The Draft Final Report shall be distinct from the last Quarterly Interim Audit Report and shall provide a consolidated and strategic assessment of the overall implementation of the assignment during the entire contract period.

The report shall include, inter alia:

- ✓ a summary of the audit activities carried out during the contract period;
- ✓ an overall assessment of the effectiveness of governance, risk management, and internal control systems within the OACPS Secretariat;
- ✓ an overview of the main audit findings, trends, and systemic issues identified throughout the assignment;
- ✓ an assessment of the overall implementation status of recommendations issued during the contract period;
- ✓ identification of outstanding high-risk issues and recommendations requiring continued management attention;
- ✓ an assessment of progress achieved by the OACPS Secretariat in strengthening operational, accounting, financial management, compliance, and control processes;
- ✓ strategic recommendations for further improvement of internal controls, governance arrangements, and risk management systems;
- ✓ lessons learned and proposed priority areas for future internal audit activities.

The Draft Final Report shall also include updated consolidated annexes, including:

- the final Recommendation Follow-Up Matrix;
- the updated risk matrix;
- and any other relevant supporting documentation.

The Contracting Authority shall provide comments on the Draft Final Report within two (2) weeks after its submission. The Contractor shall address the comments received and submit a Final Report for approval.

- **Final report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is 20 days after receipt of comments on the draft final report.

On a mutually agreed basis, the responsible partner in the selected audit firm shall meet with the chairperson of the Audit & Budget Sub-committee, the SG and other senior management (ASGs, Chief of Staff) to report on progress of the work.

All audit reports and working papers will be deposited in a dedicated drive at OACPS at the conclusion of each audit and will be the property of OACPS.

7.2. Submission and approval of reports

The report referred to above must be submitted to the project manager identified in the contract. The project manager is responsible for approving the reports.

8. MONITORING AND EVALUATION

8.1. Definition of indicators

The proposed methodology for the provision of internal audit services will be assessed on the basis of its sustainability to meet the following key performance indicators:

Key Responsibilities	Activities	Results Indicators (Including all applicable evidence to substantiate against all key responsibilities)
Regularity audits	Audits on all OACPS activities as determined by the approved Annual Internal Audit Plan according to the following auditing guidelines: <ul style="list-style-type: none"> ▪ Planning the audit ▪ Examining, monitoring, and evaluating information to advise management on compliance with regulations, policies, and best practices as well as the status of internal controls within OACPS. ▪ Communicating results ▪ Follow up actions by management on findings and recommendations 	To advise management on compliance with regulations, policies, and best practices as well as the status of internal controls within OACPS.
Fraud prevention, detection, and action	Assist with investigations in terms of the entity's Fraud, Prevention, Detection and Response Plan.	To minimize fraud in the entity
Audit of Predetermined Objectives	Executing audits in terms of the approved audit plan.	To determine whether the strategic documents and plans are correctly aligned and implemented and that targets are being achieved.
Reporting	<ul style="list-style-type: none"> ▪ Reporting on all the activities of the Internal Audit Function to the OACPS Audit & Budget Sub-committee ▪ Meetings on a regular basis ▪ Evaluation of outputs 	For the OACPS Management and the Audit & Budget Subcommittee to evaluate the efficiency and effectiveness of the Internal Audit Function. To ensure that the board is furnished with correct and up to date information.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance

8.2. Special requirements

The Internal Auditor and experts must ensure full confidentiality regarding all information accessed in the course of the audit, including documentation reviewed and interviews conducted with staff, partners, or stakeholders. All information obtained shall be used solely for the purposes of the assignment and shall not be disclosed to third parties without prior written consent of the contracting authority, except as required under applicable legal or professional obligations.

The Internal Auditor and its personnel shall maintain impartiality and professional independence in carrying out the assignment. They shall not have any financial, professional, or personal interest that could compromise, or reasonably be perceived as compromising, their objectivity. Any actual or potential conflict of interest arising during the implementation of the assignment shall be promptly disclosed in writing to the contracting authority.

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