

Terms of Reference

FOR AN INDEPENDENT ADMINISTRATOR TO PREPARE THE SECOND LEITI REPORT

BACKGROUND

The Liberia Extractive Industries Transparency Initiative (LEITI) is a partnership involving the Government, the Private Sector and the Civil Society of Liberia, which is supported by Liberia's Development partners. The LEITI seeks to ensure transparency over payments to, and revenues received by, the Government of Liberia in connection with the operations of all oil, mining, agriculture, and logging companies operating in Liberia. The work of the LEITI consists of regular disclosure, audit/reconciliation, and publication of both (1) all material payments made by oil, mining, agriculture, and logging companies ("Companies") to the Government, and (2) all material revenues received by the Government from the above-mentioned companies. A critical component of the LEITI work program is the comprehensive and reliable reconciliation and/or audit of the payment and revenue data provided or to be provided by both the Companies and the Government.

OBJECTIVES

The LEITI therefore seeks to contract a competent, independent and internationally reputable auditing firm to reconcile and audit payments and revenues data to be provided by **agencies of the Government of Liberia and relevant extractive companies**.

SCOPE OF SERVICES

The Independent Administrator ("Administrator") to be recruited by the LEITI shall reconcile and audit payments and revenues data to be provided by all relevant extractive companies and the agencies of the Government of Liberia and have the following scope of works and/or Terms of Reference:

1. The Administrator shall review the Reporting Template used in preparing the second EITI report of Liberia (Feb 18, 2010), and assist in making any and all changes or modification that are necessary to (1) accommodate disaggregated reporting of payments and revenues data, (2) comprise the "amount Due" and "amount Paid" columns, (3) ensure that the ultimate LEITI Report is both comprehensive and comprehensible, and (4) the existing Reporting Template be revised to comply with the tax code of Liberia and/or the coding system use by the Ministry of Finance
2. The Administrator shall submit, simultaneously or as near to simultaneously as possible, the Reporting Template directly to the Government and each of the oil, logging, agriculture, and mining companies ("Companies"). The Government and each or all of the companies shall collectively be referred to as the "reporting stakeholders".

3. Prior to submitting the Reporting Template to the reporting stakeholders, the Administrator shall first obtain from the LEITI Multi-stakeholders Steering Group ("Group") a formal advice or notice regarding the followings:
 - a. Final approval of the Reporting Template;
 - b. The agreed date for transmitting the Reporting Template to the reporting stakeholders, and
 - c. The agreed date on which the reporting stakeholders shall return the completed Reporting Template to the Administrator, and any penalty for failure or delay to submit report or respond to subsequent queries.
4. The Administrator shall assist the reporting stakeholders in the preparation of the reports required of them. The Administrator shall provide the necessary assistance by conducting at least two workshop(s) and by providing clear instructions regarding completion of the Reporting Templates. All reporting stakeholders shall be required to attend the workshops required to be conducted by the Administrator.
5. In keeping with the LEITI Act approved by the President of the Republic of Liberia on July 10, 2009, and the LEITI MOU signed by stakeholders, all data of payments made to the Government and of all revenues received by the Government from the companies shall be disclosed and/or reported, on a disaggregated basis, through the Reporting Template to be provided by the Administrator. The report of each company shall be duly signed by the authorized officer of the company and attested to by the external auditor of the company stating that the report is fair and accurate. Similarly, the report of the Government shall be signed by the head of the reporting agency or ministry and attested to by the General Auditing Commission (GAC) or the external auditor of the agency/ministry.
6. The separate reports prepared by the reporting stakeholders shall be submitted directly to the Administrator on the date and in the manner indicated by the Administrator. An agency or company failing to submit its report within the indicated time shall be subject to appropriate fine and other sanctions as is being determined in the LEITI Act and the LEITI Regulation No. 001 on Noncompliance published November 2009.
7. Upon receiving the reports of the Government and each of the companies, the Administrator shall:
 - a) Send to the Government copies of all reports received from each of the companies regarding payments reportedly made to the Governments; and
 - b) Send to each of the companies a copy of the Government's Report of revenues reportedly received from each and all of them. The sharing of copies of the reports shall be for the purpose of providing advance notice to the other reporting stakeholder(s) in order to facilitate a timely resolution of inconsistency, if any;

8. The Administrator shall conduct a preliminary examination of all reports received from the reporting stakeholders to determine if (1) the report of the Government and (2) the individual or consolidated reports of the companies are in agreement or have any inconsistency. The report of the Administrator's preliminary examination (The "Administrator's Initial Findings") shall clearly indicate those companies whose reports are in agreement with the report of the Government, those whose reports are inconsistent with the report of the Government, and those whose reports are missing or incomplete.
9. The Administrator's initial findings shall first be discussed at a meeting of the Group, which shall be called for the specific purpose of discussing such findings. The Administrator's initial findings shall be completed and submitted to the Committee within ten (10) working days as of the deadline for submission of reports. The initial findings of the Administrator shall be kept confidential by members of the Group, and not disclosed to the public. Except for manifest necessity;
10. If the Administrator finds that there are inconsistencies in and or between the reports, the reporting stakeholders concerned shall be required to submit supporting documentations for their reported figures in order to reconcile or resolve the inconsistencies;
11. If, notwithstanding the submitted additional documentations, the inconsistencies in or between the reports are not resolved, the Administrator shall have the authority to audit the reporting entities concerned by applying internationally accepted auditing standards;
12. Upon completion of the audit and/or reconciliation of all reports, the Administrator shall prepare a Final Report which shall comprise the reconciled and verified payments made to Government by the Companies and the audited and verified revenues received by the Government from the Companies for the period of the audit. The LEITI Report shall be accompanied by the Administrator's Opinion of:
 - a) The materiality or immateriality of inconsistencies found in, between or among the reports;
 - b) How the inconsistencies were reconciled or resolved;
 - c) The completeness of the data in relation to the total corporate presence in the relevant sectors; and
 - d) The overall integrity of the LEITI Report.
13. The Final Report of the Administrator, which shall also be the LEITI Report, shall be submitted by the Administrator to the Group within the time to be established in the contract of engagement; provided that all inconsistencies or data gaps have been resolved or agreed to be immaterial. All such inconsistencies and the manner in which they were explained, resolved or agreed to be noted shall be fully disclosed in the LEITI Report.

14. The Final Report of the Administrator shall be published by the Group to a wider audience in a publicly accessible, comprehensive and comprehensible manner.
15. The Administrator shall observe confidentiality towards all parties and their reported data, except as required to be disclosed in keeping with the TORs, and/or any other requirement of the LEITI. The requirement of confidentiality shall survive the completion of the Administrator's performance of its contract with the LEITI.

REPORTING and TIME SCHEDULE

The reporting requirements of the Administrator shall consist of the following:

- a. On completion of the Stage 1 preliminary review, the Administrator shall submit his Initial Findings, as provided for at Item 8 of the Scope of Services; and
- b. On completion of the Stage 2 audit the Administrator shall submit his Final Report, as provided for at Item 12 of the Scope of Services.

QUALIFICATIONS and EXPERIENCE of KEY PERSONNEL

The Team Leader should have a first degree, preferably in finance, accounting, commerce, management or related field with eight (8) years experience, and be a member of a professional accounting body in membership of IFAC. He should demonstrate experience as Team Leader, with strong audit experience. Experience in developing countries and of EITI will be a plus.

There other team Members should have a first degree, preferably in finance, accounting, commerce, management or related field with five (5) years experience (, and be members of a professional accounting body in membership of IFAC. They should demonstrate strong post qualification experience in audit. Experience in developing countries and of EITI will be a plus.

DATA and INFORMATION to be SUPPLIED BY the CLIENT

1. Assistance with visas for consultants
2. Office Accommodation
3. Internet Access

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Terms of Reference

[Text in brackets provides guidance to the Borrower for the preparation of the RFP; it should not appear on the final RFP to be delivered to the shortlisted Consultants]

[Terms of Reference normally contain the following sections: (a) Background, (b) Objectives, (c) Scope of the Services, (d) Training (when appropriate), (e) Reports and Time Schedule, and (f) Data, Local Services, Personnel, and Facilities to be provided by the Client.]

FOR AN INDEPENDENT ADMINISTRATOR TO PREPARE THE LEITI REPORT

BACKGROUND

The Liberia Extractive Industries Transparency Initiative (LEITI) is a partnership involving the Government, the Private Sector and the Civil Society of Liberia, which is supported by Liberia's Development partners. The LEITI seeks to ensure transparency over payments to, and revenues received by, the Government of Liberia in connection with the operations of all oil, mining and logging companies operating in Liberia. The work of the LEITI consists of regular disclosure, audit/reconciliation, and publication of both (1) all material payments made by oil, mining and logging companies ("Companies") to the Government, and (2) all material revenues received by the Government from the above-mentioned companies. A critical component of the LEITI work program is the comprehensive and reliable reconciliation and/or audit of the payment and revenue data provided or to be provided by both the Companies and the Government.

OBJECTIVES

The LEITI therefore seeks to contract a competent, independent and internationally reputable auditing firm to reconcile and, if necessary, audit payments and revenues data to be provided by all **relevant extractive companies and agencies of the Government of Liberia**.

SCOPE OF SERVICES

The Independent Administrator ("Administrator") to be recruited by the LEITI shall have the following scope of works and/or Terms of Reference:

2. The Administrator shall review the Reporting Template already prepared by the LEITI, and assist in making any and all changes or modification that are necessary to (1) accommodate **disaggregated reporting** of payments and revenues data, and (2) ensure that the ultimate LEITI Report is both comprehensive and comprehensible.

3. The Administrator shall submit, simultaneously or as near to simultaneously as possible, the Reporting Template directly to the Government and each of the oil, logging and mining companies ("Companies"). The Government and each or all of the companies shall collectively be referred to as the "reporting stakeholders".
4. Prior to submitting the Reporting Template to the reporting stakeholders, the Administrator shall first obtain from the LEITI Multi-stakeholders Steering Group ("Group") a formal advice or notice regarding the followings:
 - a) Final approval of the Reporting Template;
 - b) The agreed date for transmitting the Reporting Template to the reporting stakeholders, and
 - c) The agreed date on which the reporting stakeholders shall return the completed Reporting Template to the Administrator, and any penalty for failure or delay to submit report or respond to subsequent queries.
5. The Administrator shall assist the reporting stakeholders in the preparation of the reports required of them. The Administrator shall provide the necessary assistance by conducting at least two workshop(s) and by providing clear instructions regarding completion of the Reporting Templates. All reporting stakeholders shall be required to attend the workshops required to be conducted by the Administrator.
6. In keeping with the LEITI MOU executed by stakeholders on April 4, 2008, all data of payments made to the Government and of all revenues received by the Government from the companies shall be disclosed and/or reported, on a disaggregated basis, through the Reporting Template to be provided by the Administrator. The report of each company shall be duly signed by the authorized officer of the company and attested to by the external auditor of the company stating that the report is fair and accurate. Similarly, the report of the Government shall be signed by the head of the reporting agency or ministry and attested to by the General Auditing Commission (GAC) or the external auditor of the agency/ministry.
7. The separate reports prepared by the reporting stakeholders shall be submitted directly to the Administrator on the date and in the manner indicated by the Administrator. An agency or company failing to submit its report within the indicated time shall be subject to appropriate fine and other sanctions as shall be determined by the Group.

8. Upon receiving the reports of the Government and each of the companies, the Administrator shall:
 - a) Send to the Government copies of all reports received from each of the companies regarding payments reportedly made to the Governments; and
 - b) Send to each of the companies a copy of the Government's Report of revenues reportedly received from each and all of them. The sharing of copies of the reports shall be for the purpose of providing advance notice to the other reporting stakeholder(s) in order to facilitate a timely resolution of inconsistency, if any;
9. The Administrator shall conduct a preliminary examination of all reports received from the reporting stakeholders to determine if (1) the report of the Government and (2) the individual or consolidated reports of the companies are in agreement or have any inconsistency. The report of the Administrator's preliminary examination (The "Administrator's Initial Findings") shall clearly indicate those companies whose reports are in agreement with the report of the Government, those whose reports are inconsistent with the report of the Government, and those whose reports are missing or incomplete.
10. The Administrator's initial findings shall first be discussed at a meeting of the Audit Committee ("Committee") of the Group, which shall be called for the specific purpose of discussing such findings. The Administrator's initial findings shall be completed and submitted to the Committee within ten (10) working days as of the deadline for submission of reports. The initial findings of the Administrator shall be kept confidential by members of the Committee, and not disclosed to the public. Except for manifest necessity, the initial findings of the Administrator shall not be disclosed to members of the Group who are not members of the Committee;
11. If the Administrator finds that there are inconsistencies in and or between the reports, the reporting stakeholders concerned shall be required to submit supporting documentations for their reported figures in order to reconcile or resolve the inconsistencies;
12. If, notwithstanding the submitted additional documentations, the inconsistencies in or between the reports are not resolved, the Administrator shall have the authority to audit the reporting entities concerned by applying internationally accepted auditing standards;
13. Upon completion of the audit and/or reconciliation of all reports, the Administrator shall prepare a Final Report which shall comprise the

reconciled and verified payments made to Government by the Companies and the audited and verified revenues received by the Government from the Companies for the period of the audit. The LEITI Report shall be accompanied by the Administrator's Opinion of:

- a) The materiality or immateriality of inconsistencies found in, between or among the reports;
- b) How the inconsistencies were reconciled or resolved;
- c) The completeness of the data in relation to the total corporate presence in the relevant sectors; and
- d) The overall integrity of the LEITI Report.

14. The Final Report of the Administrator, which shall also be the LEITI Report, shall be submitted by the Administrator to the Group within the time to be established in the contract of engagement; provided that all inconsistencies or data gaps have been resolved or agreed to be immaterial. All such inconsistencies and the manner in which they were explained, resolved or agreed to be noted shall be fully disclosed in the LEITI Report.

16. The Final Report of the Administrator shall be published by the Group to a wider audience in a publicly accessible, comprehensive and comprehensible manner.

17. The Administrator shall observe confidentiality towards all parties and their reported data, except as required to be disclosed in keeping with these TORs, and/or any other requirement of the LEITI. The requirement of confidentiality shall survive the completion of the Administrator's performance of its contract with the LEITI.

18. The reporting requirements of the Administrator shall consist of the followings:

- a. The Administrator's Initial Findings, as provided for in Count (8) herein above; and
- b. The Administrator's Final Report, as provided in Count (12) hereinabove.

