

REPUBLIC OF LEBANON

Litani River Authority (LRA)

LEBANON RENEWABLE ENERGY AND SYSTEM REINFORCEMENT PROJECT

(P180501)

(Loan IBRD 97310-002)

TERMS OF REFERENCE

Project External Financial Audit

Project Background.

An IBRD loan for the amount of US\$250 million for Lebanon Renewable Energy and System Reinforcement Project was proposed to enable cleaner, more reliable and efficient grid electricity services in Lebanon. The project would be the first of a Series of Projects (SOP) to support broader electricity sector recovery and development. The Project, the first operation of the series (SOP1), will contribute to restoring basic functionality of the electricity network, by necessary rehabilitations and reinforcement to its electricity transmission network, improving EDL operating systems, **rehabilitating LRA hydropower plants**, and increasing the share of utility-scale solar PV. A subsequent project (SOP2) would further reinforce the transmission network to strengthen service reliability and integrate a higher share of renewable energy. Through its activities, the SOP will also strengthen the resilience of the network, and, given the risks identified in the detailed disaster and climate risk screening, the Project will also integrate in its design and implementation specific mitigation measures to ensure the resilience of the investments.

Project Components

The Project will consist of the following main components:

Component 1: Strengthening of EDL Operational and Commercial Systems (US\$65 million to be fully financed with IBRD loan). The activities of this component will directly strengthen the ability of EDL to better anticipate, identify, and address network disruptions and strengthen the resilience of EDL's system. This component will have the following sub-components:

- Sub-component 1.1: Strengthening of EDL Operational Systems (estimated cost of US\$25 million). This sub-component is a top-priority investment to enable EDL to manage its grid more reliably and efficiently, especially with anticipated increase in renewable energy shares in the electricity supply mix (including private sector developed renewable energy projects).
- Sub-component 1.2: Strengthening of EDL Commercial Systems (estimated cost of US\$40 million). This sub-component will finance the following: (a) the EDL's Center for Advanced Metering Infrastructure (AMI), and (b) supply and installation of Enterprise Resource Planning (ERP) platform.

Component 2: Increase of Grid-Connected Renewable Energy Supply and Network Reinforcement (US\$170 million to be fully financed by IBRD loan). This component will have the following sub-components:

- Sub-component 2.1: Development of Grid-connected Solar PV Plant (estimated cost of US\$91 million). This sub-component will finance the following: (a) construction of about 150 MW of utility-scale solar PV power plant, which includes: design, supply, and installation of the solar PV modules, inverters, and the balance of the plant comprised of structural components, electrical components, control and monitoring systems, auxiliary systems, and civil works; and (b) two-year operations and maintenance (O&M) contract for the solar PV project to be constructed to ensure EDL acquires the required experience and knowledge, including through on-the-job training.
- **Sub-component 2.2: Rehabilitation of LRA HPPs and Strengthening of Dam Safety (estimated cost of US\$25 million). This sub-component will finance the rehabilitation and replacement of key electricity generation equipment as well as monitoring and control systems at**

Joun, Awali, Markabi HPP as well as measures to strengthen the safety of Qaraoun dam.

- Sub-component 2.3: Rehabilitation and Reinforcement of EDL Transmission Network (estimated cost of US\$54 million).

Component 3: Technical Assistance (US\$15 million IBRD loan to be fully financed by IBRD loan).

This component will have the following sub-components:

- Sub-component 3.1: Project Implementation Support and Technical Studies for EDL (estimated cost of US\$10 million). This sub-component will finance: (a) the Owner's Engineer (OE), hired by EDL and (b) consultancy services for the review of EDL business processes to fully leverage the value of the ERP system, built upon recommendations proposed under the completed assessment during project preparation stage; (c) individual consultants within EDL's Project Management Team (PMT) as well as individual consultants supporting the Project's Steering Committee (PSC) for strategic guidance.
- **Sub-component 3.2: Project Implementation Support, Technical Studies for LRA, and Dam Safety Panel of Experts (estimated cost of US\$5 million). This sub-component will finance:**
 - (a) OE, which will support the LRA with preparation of procurement documents for main contracts under the Project, tendering process, technical supervision of contracts, monitoring of contractors' compliance with the requirements of E&S instruments, site supervision and quality control, and review and approval of payment certificates, and other aspects of contracts related to rehabilitation of HPPs and improvement of dam safety;
 - (b) Tier 2 dam safety assessment for Qaraoun, Anan Lake, and Joun Lake dams; bathymetric study of the reservoir to estimate sedimentation and actual reservoir capacity; dam break and flood propagation study; and other technical, economic, financial and other studies that may be required during implementation of the Project;
 - (c) preparation of the instrumentation plan, update of O&M plan, update of Emergency Preparedness Plan (EPP);
 - (d) the dam safety panel of experts (DSPOE) to be comprised by qualified experts in specific technical fields related to hydropower-DSPOE will provide guidance and advice to LRA during implementation of the Project on various technical matters; and
 - (e) Capacity building for LRA on technical, contract management, and dam safety aspects of hydropower.

Component 4: Contingent Emergency Response Component (CERC). This component will have zero funding allocation at the onset and will only be triggered in emergency circumstances.

Project Implementation Arrangements

The **external auditor** of each of the two implementing entities EDL and LRA, will audit the **respective part of the project financial statements**. The audit will cover each fiscal year of the project and will be carried out in accordance with International Standards on Auditing. Details of the legal and practical arrangements between EDL and LRA for ensuring this coordination will be documented in the Project Operations Manual (POM). The audit report and project financial statements, along with the management letter, **will be submitted to the Bank no later than six months after the end of each fiscal year. LRA will share its audit report with EDL, and EDL auditor will consolidate the project audited financial statements before submitting to the Bank.** The external auditor for each agency is expected to be recruited within six months of project effectiveness. The consolidated project audit report and management letter will be submitted by EDL to the Bank within 6 months after the end of the audit period.

EDL and LRA will establish Project Management Team (PMT)s to manage the Project with required skills mix.

The core of the PMTs will comprise the following positions: (1) a project manager, who will coordinate all project activities and will be the World Bank's main counterpart during project implementation, (2) a procurement specialist, (3) an FM specialist, and (4) E&S specialists. Key positions of the PMTs, including fiduciary teams, will be in place before loan effectiveness. Project Operations Manual (POM) will be finalized before loan effectiveness. The POM will elaborate on the coordination between PMT and OE. For the procurements of EPC works, the OEs role will be to fully support the Owners (EDL/LRA) during the entire process. It covers preparing the tender documents, tendering process (answering clarifications from bidders, prepare evaluation criteria, evaluating bids, etc.), till contract award. The PMTs' role is to guide, supervise, review, and endorse the draft deliverables prepared by the OE team, at each step of the tendering process and ultimately build Owners' capacity throughout.

EDL will utilize a ring-fenced system based on excel spreadsheet to record the daily transactions and produce the financial report. This arrangement will be temporary until an integrated system is acquired, installed, and customized. The integrated system will include, among others, modules for accounting, reporting and fixed assets registry. LRA will utilize excel spread sheet to record their part of the project. Each agency will produce quarterly interim unaudited financial reports (IFRs) and annual project financial statements in compliance with International Public Sector Accounting Standards (IPSAS) cash basis of accounting.

Each consolidated audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The Consolidated audited Financial Statements for each such period shall be furnished to the Bank by the Borrower - through EDL - not later than six (6) months after the end of such period.

The PMT will ensure that all the necessary records are available to the auditor, all the accounting entries and adjustments have been made, and all the necessary actions have been taken to allow the auditor to issue the final report on time. The Project Financial Statements (PFS) are comprised of the following:

- a. Project sources and uses of funds, for the fiscal year under Audit and cumulatively;
- b. Uses of funds by project components and activities, for the fiscal year under Audit and cumulatively;

- c. Contract expenditures, for the fiscal year under audit and cumulatively;
- d. Statement of Expenditures (SOE) by project components and activities, for the fiscal year under Audit and cumulatively;
- e. Designated Account Reconciliation Statement, showing opening and closing balances including transfers to and payments from the designated account by project components and activities for the fiscal year under Audit and cumulatively;
- f. Statement of physical and financial progress for the fiscal year under audit and cumulatively.
- g. Comprehensive list of fixed assets for the fiscal year under audit and cumulatively.

Context

1. According to **Schedule 2 section I, part A (3) of the Loan** or Grant agreements, the Governing Body of the Project through the Project Management Team (PMT) shall at all times maintain a financial management system, including records and accounts, and prepare project financial statements in a format acceptable to the World Bank and adequate to reflect the operations, resources and expenditures related to the Project. Also, the Governing body shall maintain records and supporting documents for all expenditures with respect to which withdrawals from the Loan or Grant account were made (the records should reflect all categories of withdrawals, SOEs, direct payments and replenishments of Designated Accounts).
2. The General Purpose Project Financial Statements (“PFS”) are comprised of a (i) Statement of Funds Receipts and Payments for the year then ending and cumulatively from inception date up till the year ending including funds received from various sources (ii) Statement of Payments classifying the uses of funds i.e. project expenditures by component, category and activity showing yearly and cumulative balances (iii) Reconciliation statement for the balance of the Project’s Designated Account as of year-end showing the opening & closing balances (iv) Statement of payments made using Statements of Expenditures (SOE) basis as defined in the Loan or Grant agreements (v) Contract listing of all contracts showing amounts committed, paid, and unpaid under each; (vi) list of inventoried fixed assets and (vii) accounting policies and explanatory notes.
3. The Loan or Grant Agreements require that the records, accounts and project financial statements mentioned above and the records and accounts for the Designated Account for each fiscal year to be audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent Auditors acceptable to the Bank. Audited PFS should be submitted to the World Bank as soon they become available but not later than six months after the end of the fiscal year. In fulfillment of this statutory requirement, the Governing Body should engage a qualified independent audit firm according to terms of reference and scope of work acceptable to the World Bank, as summarized below.

Objective

4. The primary objective of the audit engagement is to enable the Auditor to express a professional opinion as to whether (a) the project financial statements give a true and fair view of the state of the Project’s affairs in accordance with International Public Sector Accounting Standards, under the cash basis of accounting (b) all funds provided to the Project including replenishments, direct payments, payments through special commitments, and reimbursements i.e. expenditures reimbursed on the basis of Statements of Expenditures, are eligible, have been used, accounted for, and classified in accordance with the relevant Loan or Grant Agreements (c) internal control over financial reporting involved in the preparation of replenishments, direct payments, payments

through special commitments, and reimbursements i.e. expenditures reimbursed on the basis of Statements of Expenditures can be relied upon to support the related withdrawals (d) Replenishments and disbursements made under the Designated account has been used exclusively for payment of eligible expenditures and have been accounted for, and classified in accordance with the relevant Loan or Grant Agreements (e) The Project were in all material respects in compliance with the financial covenants of the Loan or Grant agreements , World Bank disbursement guidelines and the World Bank Procurement Guidelines.

5. For this purpose, the Auditor shall carry out whatever necessary examinations of the statements and underlying records and internal control systems.

Scope

6. The audit subject to this Terms of Reference is considered as a special purpose audit engagement for which, in addition to compliance with international standards as explained below, the Auditor needs to take into consideration the effectiveness of internal controls over financial reporting, and compliance with World Bank Reporting requirements, Disbursement guidelines, and Procurement Guidelines in order to provide assurance on the financial management and procurement arrangements of the project in accordance with ISA 800. Accordingly, the Auditor should review and assess the conclusions drawn from the audit evidence during the special purpose audit engagement as the basis for the expression of a clear written audit opinion. Moreover, the Auditor should obtain from management a Representation Letter as evidence of management's assertions in the project financial statements in accordance with ISA 580.
7. The audit will be carried out in accordance with International Standards on Auditing, having regard to relevant Loan/Grant agreements and World Bank particular requirements. The audit shall provide assurance on the effectiveness of the internal controls surrounding statements of expenditure. The scope of the audit procedures must be aligned with the World Bank scope requirements to ensure compliance with the engagement. Planning and conducting the audit will be in accordance with a risk-based framework and a detailed and documented audit work program. The audit coverage will consider the risk of material misstatement as a result of error or fraud. A description of the nature, timing, and extent of the planned risk assessment procedures sufficient to assess the risk of material misstatement should be properly documented.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters, including special considerations for public sector entities:

8. In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud, as required by International Standard on Auditing 240.
9. When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements, as required by International Standard on Auditing 250.
10. The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity, as required by International Standard on Auditing 260.

11. The auditor should appropriately communicate to those charged with governance and to management any deficiencies in internal control that the auditor has identified in an audit of financial statements, as required by International Standard on Auditing 265.
12. To reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level and should design and perform further audit procedures to respond to assessed risks at the assertion level, as required by International Standard on Auditing 330.
13. A documentation of the assessment and determining of the audit materiality and its relationship with audit risk when conducting an audit should be done (ISA 320)
14. When certain aspects of an entity's operations are performed by a third-party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process, as required by International Standard on Auditing 402.
15. As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance, as required by International Standard on Auditing 580.
16. When the external auditor decides to use the work of an entity's internal audit function to modify the nature or timing, or reduce the extent, of audit procedures to be performed directly by the external auditor, the determination shall be in accordance with International Standard on Auditing 610.
17. In determining whether to use the work of an auditor's expert or the extent to which the work of an auditor's expert is adequate for audit purposes, the determination shall be made in accordance with International Standard on Auditing 620.

In evidence of compliance with agreed project financing arrangements, the auditor is expected to carry out tests to confirm that:

- a) All funds disbursed under the Project are eligible, have been used, accounted for and classified in accordance with the relevant Loan or Grant agreements and all the disbursements made on behalf of the project are in accordance with the World bank disbursement guidelines;
- b) The PFS are prepared in accordance with the International Public Sector Accounting Standards, under the cash basis of accounting and give a true and fair view of the financial operations of the project within the year. Any material deviations from those standards and the impact of such departures on the project financial statements as presented would be stated;
- c) An assessment of the effectiveness of the internal controls over financial reporting involved in the preparation of replenishments, direct payments, payments through special commitments, and reimbursements i.e. expenditures reimbursed on the basis of Statements of Expenditures can be relied upon to support the related withdrawals;
- d) Goods and services financed have been procured in accordance with World Bank Procurement framework and Guidelines/Regulations revised September 2025¹ ;

¹ Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In compliance with provisions of International Standard on Auditing 620. Consideration of using of the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

- e) All necessary copy of supporting documents, records, and accounts have been kept in respect of all project. Clear linkages should exist between the books of account and the Project Financial Statements (PFS) presented to the Bank;
 - f) Where Designated Accounts have been used, they have been maintained in accordance with the provisions of the relevant Loan or Grant agreements;
 - g) Project expenditures as reported by the Governing Body are reconciled with the amounts withdrawn from the Designated Account and the amounts deposited to the Designated account are reconciled with the amounts disbursed from the Loan/ Grant agreements.
 - h) Eligibility of expenditures claimed under Statement of Expenditures submitted to the World Bank for replenishment. This is in addition to substantiation of these expenditures;
 - i) An assessment of project implementation and whether financial and physical progress is consistent during the project period. The monitoring of the expenditures in relation to physical progress is validating that physical progress and disbursements are under proper financial control
 - j) Ensure that the fixed assets financed by the project are purchased in accordance with contracts and payment documents, are used for the purpose for which they were acquired and are physically existent;
 - k) Verify that checks are signed by those authorized by management and negotiated by the intended payee under a specific contract and as required under the terms of the Loan/Grant agreements;
18. The Auditor will be expected to review all correspondences with the World Bank in relation to the Project including copies of the Aide Memoires, Mission Reports, and assess progress on all financial issues. The Auditor will pay special attention to any specific risk area as mentioned in the project documents (such as PAD, etc.)

Audit Deliverables

The auditor should verify that the financial statements have been prepared in accordance with International Public Sector Accounting Standards, Cash Basis of Accounting. The financial statements should include:

- Project funds received and payments by category of expenditure made by the World Bank, other financiers and counterpart contributions from the borrower (as applicable), all presented separately.
- Expenditures paid, presented under project account headings and main categories, activities and components of expenditures; and
- Additional disclosures in explanatory notes, including details of statements of expenditures (SOE) supporting Withdrawal Applications submitted during the period, a reconciliation of movements on the Designated Account, and a statement of fund balances.
- Statement of physical and financial progress.
- Fixed assets listing, including all fixed assets purchased under the project, categorized and inventoried.

19. For the project, the following is requested as deliverables covering each period of the engagement:

Period Covered:

Period 1: October 10, 2025 – December 31, 2026: Due Date June 30, 2027

Period 2: January 1, 2027 – December 31, 2027: Due Date June 30, 2028

- (i) **Audit Report for the project (LRA Component)** covering each period which shall include an explicit professional opinion whether (i) the General Purpose Project Financial Statements (PFS) show true and fair view of the Project's financial position as of the end of the period and sources and uses of funds incurred during the year then ending in accordance with International Public Sector Accounting Standards, under the cash basis of accounting. (ii) all funds provided to the Project including replenishments, direct payments, payments through special commitments, and reimbursements i.e. expenditures reimbursed on the basis of Statements of Expenditures, are eligible, have been used, accounted for, and classified in accordance with the relevant Loan/ or Grant Agreements as of December 31, for each year (iii) internal control over financial reporting involved in the preparation of replenishments, direct payments, payments through special commitments, and reimbursements i.e. expenditures reimbursed on the basis of Statements of Expenditures can be relied upon to support the related withdrawals as of December 31, for each year (iv) Replenishments and disbursements made during the year ended December 31, for each year under the Designated account has been used exclusively for payment of eligible expenditures and have been accounted for, and classified in accordance with the relevant Loan /Grant Agreement as of the end of each period, (v) The project was in all material respects in compliance with the financial covenants of Schedule 2 section I parts A,B,D, and E and section II and III of the Loan or Grant agreement, World Bank disbursement Guidelines and with the World Bank Procurement Guidelines revised September 2025. The Auditor should take into account relevant statutory and other mandatory disclosures and accounting requirements stipulated in the Loan or Grant agreements and express in the report any relevant exception and the impact of the exception on the PFS.
- (ii) **A Management Letter of the project (LRA Component)** covering each period which should report any significant accounting and control issues arising from the audit of **the project**, as identified during the internal control mechanisms review together with the related risk. The letter, with management responses, and recommendations to address the situation and insufficiencies, should be made available to the Governing Body in time. As annex of the Management Letter, the Auditor will mention whether or not recommendations issued in the previous Management Letter have been considered by the PMT.

The Audit Report and Management Letter to be submitted no later than 6 months (June 30) after the end of each period.

Review of Statements of Expenditure and Interim Unaudited Financial Statements

1. The auditor is required to audit all SOE/IFS submitted to the World Bank in support of requests for periodic replenishment of the project designated account(s). Expenditures should be examined for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. The auditor should report any ineligible expenditures identified as having been included in withdrawal applications and reimbursed.

Review of designated accounts

2. During the audit of the project financial statements, the auditor is required to review the activities of the project's designated account(s). Activities to be examined will include deposits received, payments made, interest earned, and reconciliation of period-end balances.

Audit opinion

3. The auditor will issue an audit opinion on the financial statements. The auditor's opinion shall be based on an evaluation of the conclusions drawn from the audit evidence obtained and shall be expressed clearly through a written report that also describes the basis for that opinion. The audit report shall be prepared in accordance with the International Standard on Auditing 700.
4. A modified audit opinion shall be rendered in the financial statements when the auditor concludes, on the basis of the audit evidence obtained, that the financial statements as a whole are not free from material misstatement; or the auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material

misstatement. Modified audit opinions shall be in accordance with the International Standard on Auditing 705.

5. The auditor will include emphasis of matter paragraphs or other matter paragraphs in the audit opinion where the auditor, having formed an opinion on the financial statements, seeks to draw users' attention, when in the auditor's judgment it is necessary to do so, by way of clear additional communication in the auditor's report. The paragraphs will refer to either a matter that, although appropriately presented or disclosed in the financial statements, is of such importance that it is fundamental to users' understanding of the financial statements; or as appropriate, any other matter that is relevant to users' understanding of the audit, the auditor's responsibilities, or the auditor's report. This form of opinion will be presented in accordance with the International Standard on Auditing 706.

Other audit reports

6. In addition to the audit opinion, the auditor will also, either in the audit report or in the report to management:
 - (a) provide 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 instances of noncompliance with the terms of the financial agreement(s);
 - (d) quantify and report expenditures that are considered to be ineligible and either paid out of the designated account(s) or claimed from the World Bank.
 - (e) communicate matters that have come to attention during the audit that might have a significant impact on the implementation of the project.
 - (f) draw to the borrower's attention any other matters that the auditor considers pertinent; and
 - (g) responses from management, including implemented and proposed remedial actions.
7. The auditor's opinion on the financial statements and management letter should be received by the Bank no later than six months after the end of each fiscal year.

Key Experts for the Audit Assignment

1. Team Leader

- **Role:** Overall responsibility for leading the Audit team, coordinating activities, ensuring compliance with TOR, and serving as the main liaison with LRA.
- **Qualifications & Experience:**
 - Advanced degree in Finance, Accounting and Auditing, or related field, in addition to a professional accountancy certification (CPA, ACCA etc...).
 - Minimum 10 years of proven experience in project audit, including at least 3 years in World Bank or donor-funded projects.
 - Proven leadership in managing teams.
 - Experience in auditing within the Lebanon context, including public and private audit.

2. Supervisor

- **Role:** Reviews financial flows and financial reporting for all project components. Detects irregularities and ensures that all financial transactions are recorded.
- **Qualifications & Experience:**
 - Advanced University degree in Finance, Accounting, Business Administration, or related field. A professional accountancy certification would be an advantage.
 - At least 7 years of experience in financial management and auditing of donor-funded projects.
 - Familiarity with World Bank fiduciary procedures and auditing in the Lebanon context.

3. Technical expert (Team members)

- **Role:** Assisting the supervisor in conducting the financial audit.
- **Qualifications & Experience:**
 - University degree in Finance, Accounting, Business Administration, or related field. Advanced degree would be an advantage.
 - At least 5 years of experience in financial management and auditing of donor-funded projects.
 - Familiarity with World Bank fiduciary procedures and auditing in the Lebanon context.

Firm Qualifications

20. The Auditor should be registered as certified public accountant with the appropriate professional body in the country and within the Ministry of Finance and have at least 10 years of relevant experience including auditing major projects financed by donors, organizations and government entities as needed. The auditor should have a system of quality assurance as per international standards, ensure proper staffing with substantial experience and qualified international certification (CPA, CA or ACCA). In case of government auditing, the audit team should be adequately staffed with qualified Auditors having relevant background and experience in auditing. Training and continued education should emphasize auditing standards, work paper techniques and audit documentation to ensure engagements comply with professional standards. The same audit principles should be applied if the audit is conducted by private or government Auditors. The Auditor should ensure that its audit firm's system of quality control provides reasonable assurance that the work performed on an audit engagement meets the applicable professional standards and regulatory requirements.

Irregularities Including Fraud

21. The Governing Body is responsible for ensuring the establishment and maintenance of an adequate system of internal control. It is also responsible for ensuring compliance with statutory and other regulations, and for the prevention and detection of irregularities, including fraud. Although, the Auditor is not required to search specifically for such matters, the audit shall be planned and conducted so that the Auditor have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, fraud, or breach of regulations.
22. The Auditor will report in writing any serious weaknesses, fraud, irregularities or accounting break-downs that they come across in the normal course of their duties to the designated office holder, Governing Body, and the World Bank without delay.

Access

23. The Auditor shall have rights of access to the books, accounts, vouchers, Loan/Grant Agreements, related Supplemental Letters, Project Appraisal Document, correspondence, and all other documents in relation of the Project and to such information and explanations as Auditors consider necessary to perform their duties and fulfill their responsibilities.
24. In addition, the Auditors will be provided with copies of the World Bank relevant publications that the Governing Body has to recognize including: (i) World Bank policy and procedures for Investment Project Financing (IPF) : *Guidelines For Borrowers* (ii) the World Bank “*Procurement Guidelines July 2016 and revised regulations September 2025*” (iii) the World Bank “*Disbursement Guidelines including Disbursement Guidelines for Investment Project Financing (February 2017), the Loan Handbook for World Bank Borrowers (February 2017)*”

25. In turn, on occasions the World Bank representatives may wish to meet with Projects' Auditors, in connection with a visit to the Auditor's office, review of the audit working papers files and discussion of the work performed and conclusion reached by the Auditors. The Auditor should not limit access in any way and must reply to all inquiries raised by the World Bank representative. Failure to comply with this provision may disqualify the Auditors from dealing with all projects funded or administered by the World Bank. Formal discussion should normally be arranged through the Project's designated office holder or representative. The World Bank will have this exclusive right during performance of the audit and within two years after the completion of the audit engagement.

Miscellaneous

26. **Annual Meetings.** The Auditor will be requested to attend the meeting of the Governing Body to which the Project's annual reports and financial statements of account are presented. The Auditor will receive all notices and other communications relating to that meeting which any member of the Governing Body is entitled to receive. The Auditor will discuss the audit report and management letter and any part of the business which concerns the Auditor.

27. **Termination of Appointment.** If there are serious shortcomings on the part of the Auditor, the Governing Body, after consultation with the World Bank, may pass a resolution to remove the Auditor before the expiry of their assignment.

28. **Restriction of Auditor's Liability.** There is no limitation of the Auditors' liability in respect of audit opinions given under this assignment. The Governing Body will not agree to any such restriction in liability.

29. **Exit Conference.** The Auditor should hold a closing or exit conference with senior officials of the auditee prior to concluding the audit. Upon completion of the fieldwork, the Auditor should present its audit result and document the exit conference for inclusion in the audit work papers.

Payments

Payments will be based on the deliverables (Yearly Audit Report for LRA project components and a Yearly Management Letter for the LRESRP – P180501 project) provided by the audit team.

Project Name	Payment (USD)
LRESRP – P180501 - LRA project components	

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