



TERMS OF REFERENCE

Project title	“SDG-Aligned Budgeting to Transform Employment in Mongolia”
Location	Ulaanbaatar, Mongolia
Title of the assignment	Consultancy to support strengthening SDGs-aligned/results-based performance audit function and processes led by National Audit Office (NAO).
Post title	Performance Audit Expert
Type of contract	Individual Contractor (IC)
Languages required:	English
Duration of Initial Contract	5 months (60 working days) with possible extension based on performance and funding availability

PROJECT BACKGROUND

The project “SDG-Aligned Budgeting to Transform Employment in Mongolia” aims to support increased employment and promotion of decent work in Mongolia. The Project plans to achieve its goal by conjoining two main streams of activities at the Ministry of Labour and Social Protection (MLSP) and Ministry of Food, Agriculture and Light Industry (MOFALI): i) enabling and promoting employability in Mongolia via direct interventions and policy improvements, and ii) improving the public finance management systems to absorb results-oriented, effective, and evidence-based policies and budget initiatives in employment and labor sectors.

This technical assistance project is funded by the European Union (EU) and complements the EU Direct Budget Support to Mongolia. The Project is managed by UNDP in partnership with FAO and ILO covering four components:

- Component A. Bridging Policies with Budgets
- Component B. Budget Oversight and Transparency
- Component C. Employment Promotion: Boosting Employability
- Component D. Effective Application of International Labor Standards by Strengthening Institutions of Work

Within the component B, the project aims to assist the National Audit Office of Mongolia (NAO) in strengthening performance auditing piloting for employment sector (piloting at MLSP and MOFALI) budget programmes, and enhancing its role in SDG audit functions, as well as introducing more citizen-oriented budget oversight. Recent development in many countries indicate that Supreme Audit Institutions play an increasingly important role on SDGs by reviewing governments preparedness for delivering on the SDGs and monitoring the implementation of SDG-related programmes. Hence, an important aspect of the project is

strengthening SDG-aligned performance audit function led by the NAO and developing social audits in Mongolia.

The State audit strategy on Engaging citizens for 2020-2023 envisages more active citizen engagement and accountability in audit oversight and its activities. UNDP also supports the national stakeholders in learning the best practices in this regard and combining those with effective social audit functions, including via public expenditure tracking surveys (PETS) and other tools for civic engagement in auditing over budget compliance and performance.

OBJECTIVES AND SCOPE OF WORK

The main objective of the assignment is to provide technical expertise support on strengthening performance audits by reviewing the current audit processes to identify gaps and challenges and propose technical solutions to strengthen SDG or results-based performance audit, to enhance citizen engagement in public audit and provide on the job technical support for effective implementation of the project at the NAO and piloting at the MLSP and MOFALI.

The assignment aims to provide on-the-job support in mapping national programmes (planning and budgeting documents) with line-item nature of the budget, capacity building activities on effective performance audit and aligning those with the overall SDG framework. The technical support will not only strengthen the NAO, but it also aims to enhance both the selected Ministries to effectively analyze and conduct internal performance auditing on budget programmes linking their actual performance with their objectives and targets (e.g Vision 2050, 2030 SDGs Agenda) as well as national and sectoral development policies and priorities.

Scope of the assignment are as follow but not limited to:

PART I:

- Provide technical advice in the preparation of the annual audit plans for ensuring the strengthened SDG or results-based performance audit and citizen engagement.
- Assess the current performance audit processes, procedures, practices, and implementation of and reporting on the budget programs by the pilot Ministries. The assessment shall include mapping/bridging programme-based budgeting vs line-item budget execution data for effective performance audit and reporting.
- Review sectoral SDGs priority related sections/programs of the NAO annual report within national policy implementation and assessment context.
- Update/revise the existing manuals in extensive consultation on performance audit of policy and budget programs with respective stakeholders. This will include sectoral audit guides on bridging SDGs/national and sectoral goals and objectives with budget planning, manuals, and draft assessment methods on impacts of certain program and expenditure decision and its outcome indicators as per International good practices.
- Investigate international best practices including Supreme Audit Institutions, relative methodologies, and application of SDG-aligned performance audit to propose localized approaches.
- Develop and formulate audit approaches and methodologies on bridging SDGs/ with budget planning and draft assessment methods on impacts of certain program and expenditure decision and its outcome indicators.
- Support NAO to conduct performance audits on selected state policy implementation as a pilot and demonstration to strengthen the current performance audit processes,

including the revised performance audit manual, and improve the policy implementation, outcomes and impacts.

- Support on enhancement of results-based budgeting presentation of budget and audit reports.
- Assist NAO in standardizing publication and dissemination of performance audit reports and practices of sharing main audit findings, and opinions with CSOs and other stakeholders.
- Provide recommendation on performance audit quality control process and data collection/information used.

PART II:

- Conduct a study of good practices in social audits and update/revise social (civil hall) audit guide, manual, checklists, and other related documents as per International good practices.
- Support Civil Society Organizations (CSOs) and other stakeholders to conduct pilot social audit/s by applying with the revised civil hall (social) audit guideline and methodology in broad collaboration with the NAO.
- Assist NAO in conducting consultations on findings and opinions of civil hall (social) audits and incorporating them into audit plan and auditing.

PART III

- Develop training modules on effective performance audit and citizen participatory audit in alignment with the overall SDG framework and national targets;
- Conduct a series of trainings (on the job, virtual, group and other types) and facilitate focus group discussions/consultations as required on proposed recommendations, findings, draft methodologies, manuals, and cross-sectoral issues. Workshops will be organized at key stages of the assignment to update and improve the delivery of the objectives.
- Ensure timely and effective coordination and synergies between project implementing unit and the NAO to achieve the expected project results.
- Other required tasks and responsibilities to improve the project progress upon request of NAO and UNDP. The consultant is expected to align his/her work with the NAO progress to other project component objectives.

EXPECTED DELIVERABLES:

1. Technical assistance notes in improving annual audit plan and relevant documents.
2. Review paper to assess current performance audit approach and process (including horizontal and vertical coherence leaving no one behind principle) and sectoral SDGs priority related sections/programs.
3. Draft methodology, templates, regulations to adapt and pilot on bridging SDGs/ with budget planning and draft assessment methods on impacts of certain program and expenditure decision and its outcome indicators.
4. Technical guidance on piloting performance audit on governmental policy and budget programmes.
5. Reports on performance audit and social audits conducted to strengthen the current performance audit system.
6. Draft enhancements documentation/templates of results-based budgeting presentation for the use of performance audit and social audit and presentation/formats of reports.

7. Set of recommendation on performance audit quality control process data collection/information used.
8. Draft civil hall (social) audit guide, manual, checklists.
9. Set of training modules and manuals to use at the NAO and the selected Ministries.
10. Reports on conducted trainings and workshops specified above.
11. Final report

PAYMENT SCHEDULE

The consultant shall be paid the consultancy fee upon completion of the following milestones and fully accepted deliverables by both NAO and UNDP CO.

	Payment installments	Deliverables	Target due dates
1	20% of the total fee	Deliverable 1, 2, 3	August 15 2021
2	30% of the total fee	Deliverable 8, 9, 10	October 15 2021
3	30% of the total fee	Deliverable 4,5	November 20 2021
4	20% of the total fee	Deliverable 6, 7, 11	December 25 2021

INSTITUTIONAL ARRANGEMENT

The consultant shall report to the UNDP project coordinator and on daily basis work closely with an assigned focal point at the National Audit office and the national consultant.

Duration of the Work

60 working days over 5 months period

REQUIRED SKILLS AND EXPERIENCE

The Consultant is expected to have a thorough knowledge of international standards and best practices for Supreme Audit Institutions (SAIs). The Consultant will be well versed in the issues of SAIs in developing countries, specifically in respect of effective measures for enhancement of audit skills and capacities, governance structures, institutional arrangements, audit methodologies, and management practices. The Consultant is expected to have extensive experience in demonstrating sustainable results through similar assignments in other developing countries.

Educational Qualifications:

- Postgraduate or advanced university degree (at least M. Sc. or equivalent) in Economics, Finance, Audit, Public Financial management, and other closely related fields.

Experience

- At least 15 years of relevant experience, including proven advanced performance auditing skills in public sector, and performance audit experience in/with a Supreme Audit Institution.
- Successful international record of delivery of technical assistance and support in external audit and control, performance audit, and related policy and operations, and/or relevant disciplines to government institutions.

- Membership of recognized professional audit body.
- Proven capacity building and training skills and experience.
- Evidence of preparation of reports/studies/research demonstrating application of analytical and policy skills in external audit and control and/or related disciplines. (Samples and/or links to such research and reports to be shared together with the CV).
- Strong management and communication skills in presenting, discussing, and resolving difficult technical issues and possess the ability to work efficiently and effectively within a multidisciplinary team.
- Excellent English language skills.

Price Proposal and Schedule of Payments

Consultant must send a financial proposal based on lump sum amount.

The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will be fixed output-based price regardless of extension of the herein specified duration.

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.

Evaluation Method and Criteria

Individual consultants will be evaluated based on the following methodology of **Cumulative analysis**.

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%). and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

Technical Criteria for Evaluation (Maximum 70 points)

See attached table – Technical evaluation scoring guide.

Only candidates obtaining a minimum of 70% of the total technical points would be considered for the Financial Evaluation.

Shortlisted candidates shall be called for an interview which will be used to confirm and/or adjust the technical scores awarded based on documentation submitted.

Documentation required.

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

- **Letter of Confirmation of Interest and Availability** using the template provided in Annex II.
- **Personal CV or P11**, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least two (2) professional references.
- **Technical proposal**, including a) a brief description of why the individual considers him/herself as the most suitable for the assignment; and b) a methodology, on how they will approach and complete the assignment.

- **Financial proposal**, as per template provided in Annex III.

Incomplete proposals may not be considered. Only the successful candidate will be notified of contract award.

Annexes

- Annex I – [Technical evaluation scoring guide](#)
- Annex II - [Individual IC General Terms and Conditions](#)
- Annex III – [Offeror's Letter to UNDP Confirming Interest and Availability for the Individual IC, including Financial Proposal Template](#)

ToR is prepared by:



B. Munkhtuul

Project Coordinator



Approved by:

Barkhas L, PO
08-Jul-2021

Annex 1. Technical evaluation scoring guide

Criteria	Weight	Max. point
Technical criteria 1: Education		20
Postgraduate or other advanced university degree (at least M. Sc. or equivalent) in Economics, Finance, Audit, Policy research and other closely related fields.		[20]
Technical criteria 2: Professional experience		60
At least 5 prior assignments of similar nature, complexity, and scope.		[30]
Experience of carrying out in-depth comparative economic and audit policy research and in producing high-quality analytical reports (samples and/or links to such research and reports to be shared together with the CV).		[10]
Experience of working in the international organization or UN family is an advantage.		[15]
Professional qualification in Finance, Economics, Audit, Policy		[5]

research is an advantage		
Technical criteria 3 - Proposed methodology and approach		10
		[10]
Technical criteria 4 – Language skills		10
		[10]
Technical Score	70%	100