

TERMS OF REFERENCE FOR THE FINANCIAL CONSULTANT

Post Title:	Consultancy services for preparation of IFR compliant Financial Statements under IFRS and provision of training services to the Regional Rusumo Falls Hydropower Project (RRFHP)
Post Level:	Audit and Accounting Firm
Type of Contract:	Firm
Languages Required:	English
Expected Duration of Contract:	Ten (10) weeks

1. Introduction

Rusumo Power Company Limited (RPCL) was registered in Rwanda in April 2013 and also has a certificate of compliance in Tanzania since 2013.

Rusumo Power Company Limited (RPCL) is a Special Purpose Vehicle (SPV) established and created by three beneficiary countries; (The Republic of Burundi, the Republic of Rwanda and the United Republic of Tanzania) which have received funds from the World Bank to implement Regional Rusumo Falls Hydroelectric Project (RRFHP). The three countries through the shareholding Agreement and the Implementation Agreement, jointly seek to develop the 80MW Regional Rusumo Hydroelectric Plant.

The RPCL delegated the implementation of the project to Nile Equatorial lakes Subsidiary Action Programme (NELSAP) in accordance with the Project Implementation Support Agreement (PISA) dated 24 January 2014.

The construction phase was completed, the project was commissioning for three units and completion certificates were issued. In that regard, NELSAP will hand over the Financial activities (Operational stage) to RPCL.

RPCL will be responsible for preparation of Financial Statements and handling all Assets and Liabilities of the company, As at now, NELSAP is using the project accounting system under IPSAS (cash basis) that mean all expenses including asset are expensed not capitalized. So the volume will be big, because it including all the procured asset from construction phase to

operational phase to find the opening balances of all assets and prepare the comparison Financial Statement as per IFRS (accrual basis).

During handover, NELSAP need to provide an accurate and detailed asset register for RPCL to define the useful life (life span) of the asset and start calculating depreciation and also the list of Liabilities (Long and short term Liabilities), so the following issues need to be considered as far as Finance and Accounting Matters are concerned;

- a) Financial Reporting.
- b) Knowledge transfer and
- c) Taxes disclosure treatment

2. Objective of Hiring a Financial Consultant.

The objectives of Financial Consultant are;

- a) To support in preparation of a set of Financial Statements as per IFRS which includes;
 - i. Statement of Financial Position at the end of the period
 - ii. Statement of Profit or Loss and other comprehensive income for the period
 - iii. Statement of Changes in Equity for the period
 - iv. Statement of Cash Flows for the period
 - v. Notes, comprising a summary of significant accounting policies and other explanatory notes
 - vi. Comparative information prescribed by the standard
- b) To support in Capacity building (Knowledge Transfer) on theory and practical application of IFRS on preparation of Financial Statements which will include preparation of all IFRS models. This particular service is a practical capacity building platform which help on the fully understand and apply IFRS as Financial Reporting Framework, Advanced Excel Functionality and Microsoft Word.
- c) To support on tax disclosure treatments on the Financial Statements.

3. Importance of Hiring a firm to provide Financial Consultancy services.

- a) Financial statements to be prepared as per requirement of IFRS.
- b) Proper disclosure procedures.

4. Justification on need of Financial Consultancy services.

After the project closure, RPCL will be responsible for preparation of Financial Statements and handling all Assets and Liabilities of the company. RPCL will be responsible for maintaining books of account, records for the Company, preparing reports on budget utilization, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the Company effectively, efficiently and transparently. It is within this regards that RPCL intends to hire the Financial Consultant for better presentation of Financial Statement as per IFRS.

5. The responsibilities of Financial Consultant.

The responsibilities include but not limited to the following;

- a) Act in the client's best interest
- b) Prepare Interim Financial Statements for Year 2024-2025

Transfer knowledge to Client's personnel. Three weeks' induction course on the standards applied for preparation of Financial Statements as per IFRS,

Then during the preparation of Financial Statements, the Financial Consultant will work together hand in hand with RPCL Finance team from gathering data, analysing, interpret and final presentation of 5 Financial Statements.

6. Schedule of payments

The scope of the assignment will be 10 weeks for the first year that include Inception, Financial Reporting, Knowledge Transfer and Taxes and for the second year the consultant will be at site for 5 weeks that include inception and Financial Reporting.

Timeline for the assignment are as follows:

Expected deliverable	Expected timelines
<p>1. Inception report</p> <p>A report detailing approach, methodology and work plan: Submission of a preliminary list of information required to carry out the assignment, to discuss the objectives of the assignment and proposed the approach to be used and work plan. This is the roadmap/ a plan/ a methodology that explain on how the Financial Consultant will use to achieve the objectives also will be discussed by user department to see if it fit the purpose. So the aspect of transfer knowledge is not included here but will be included on the below bulleting of No. 2 on Financial Reporting.</p>	1 week

<p>2. Financial Reporting. Presentation and approval of the Financial Statements that are compliant with IFRS standards</p> <ul style="list-style-type: none"> • Prepare Financial Statements in accordance with International Financial Reporting Standards (IFRS), including the Statement of Financial Position, Statement of Profit or Loss, Statement of Changes in Equity, and Statement of Cash Flows. • Ensure that all financial data is aggregated to provide a True and Fair view of the Financial Position so as to maintain a high degree of transparency, consistency, and integrity. <p>Prepared set of financial statements that will be audited by external auditors (State Auditors)</p>	4 weeks
<p>3. Review and approval of the RPCL finance policies and procedures manuals to ensure IFRS specific requirements are incorporated and compliance with tax laws and regulations. During review both Consultant and RPCL need to be involved so that if there are any inputs the consultant need to take into account, but approval is for RPCL.</p> <p>4. Knowledge Transfer.</p> <ul style="list-style-type: none"> • Training report that will be presented and be approved: The consultancy firm should provide intensive review of all IFRS standards together with practical application demonstration during preparation of Financial Statements. • Facilitate knowledge transfer by documenting financial processes, procedures, and best practices during preparation of Financial Statements. This will be documented in the financial policies and procedures manual 	4 weeks
<p>5. Taxes</p> <p>Provide guidance as per IFRS 12 on how to record, disclose and state the issue of exempted taxes in the books of accounts.</p>	1 weeks

This assignment will be supervised by RPCL Finance and Administration Manager

7. Competence requirements of the Firm and personnel on the assignment

The firm shall be a member of a Professional Accountant Organization recognized by Accountancy Professional Body. The firm shall have at least 5 years’ experience in providing similar services in accounting, taxation and related training.

Firm’s qualification:

- The firm should be legally registered and authorised to provide accountancy and advisory services Tanzania/Rwanda/Burundi
- The firm should have successfully completed at least three similar assignments in the last five years.

Staff qualifications

The team composition should be such that the key staff is qualified, experienced and skilled to provide the accounting, taxation and training services. The team will comprise, at least:

- a) Team Leader/Financial advisor with professional accountancy qualifications in ACCA or CPA, and experience in tax, audit, accountancy advisory and delivery of related training services and preparing of Financial Statements as per IFRS with a minimum of 10 years' experience in provision of such services. In addition, he/she should be a member of an accountancy professional body and provide a certified certificate in IFRS.
- A Financial advisor: He/she should be a fully qualified Accountant with a minimum of 5 years' experience in accounting, financial reporting with IFRS and has works on ensuring compliance with IFRS in similar organisations.
- A Tax advisor: He/she should be a fully qualified Accountant with a minimum of 5 years' experience in tax advisory in similar organisations.

Provisions for ensuring quality assurance should be guaranteed by way of having at least a partner and manager on the task.

8. Services to be provided by Client.

The RPCL will provide all available information, documents, required data and office space at RPCL Administration Building.

9. Location

The Consultant Firm will be physical at site at the Project area in Rusumo Ngara District.

10. Terms of payment

100% of the total contract price shall be paid up on submission and acceptance of the final Financial Statements and completion of the training.