

**SRI LANKA PUBLIC FINANCIAL MANAGEMENT STRENGTHENING PROJECT  
(SLPFMSP - NAO) COMPONENT 2:**

**ENHANCING ACCOUNTABILITY AND INSTITUTIONAL CAPACITY OF THE NATIONAL AUDIT OFFICE OF  
SRILANKA (NAOSL)**

**TERMS OF REFERENCES (TOR)**

**SELECTION OF A CONSULTANCY FIRM  
FOR “ENHANCEMENT OF NAOSL AUDIT METHODOLOGY EMBEDDED WITH AUDIT MANAGEMENT  
SOLUTIONS [AUDIT MANAGEMENT SYSTEM (AMS) AND  
COMPUTER AIDED AUDIT TOOLS (CAAT)]”.**

WB PP REF: LK-NAOSL-461533-CS-QBS

**National Audit Office of Sri Lanka  
(NAOSL)**

## 1. Background

### 1.1 Summary of the Procurement is given in Table 01

Table 1

<b>Title</b>	SELECTION OF A CONSULTANCY FIRM FOR “ENHANCEMENT OF NAOSL AUDIT METHODOLOGY AND INTRODUCTION OF EMBEDDED WITH AUDIT MANAGEMENT SOLUTIONS [AUDIT MANAGEMENT SYSTEM (AMS) AND COMPUTER AIDED AUDIT TOOLS (CAAT)]”.
<b>Purpose</b>	Hiring a Consultancy firm with expert knowledge and resources to enhance the NAOSL Audit Methodology, and Introduce Audit Management Solutions such as Audit Management System (AMS) and Computer Aided Audit Tools (CAAT)
<b>Type of Contract</b>	Providing Consulting Services (“the Services”)
<b>Location</b>	National Audit Office of Sri Lanka (NAOSL)
<b>Duration</b>	14 <sup>th</sup> Months
<b>Starting Date</b>	March , 2025
<b>Reporting To</b>	Auditor General of Sri Lanka / Project Director
<b>Estimated Budget</b>	Depends on the financial Proposal by the service providers, however, selection will be quality-based
<b>Budget Code / Grant</b>	The grant from the Multi-Donor Trust Fund funded by the European Union (EU) and Agence Française de Development- (AFD) through the International Bank for Reconstruction and Development - (IBRD).

### 1.2 Introduction

#### National Audit Office of Sri Lanka

- a. The National Audit Office of Sri Lanka (NAOSL) which was established in 1799 and led by the Auditor General (AG) is a non-ministerial government department in Sri Lanka. Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka provides the mandate for the Auditor General to audit the public sector institutions which includes all Ministries, Departments, Offices of the secretary to the President, Offices of the secretary to the Prime Ministers, Offices of the Cabinet of Ministers, Judicial Service Commission, Constitutional Council, Commissions referred to in the Schedule to Article 41B, Parliamentary Commissioner for Administration, Secretary General of Parliament and the Local Authorities, Public Corporations, and business or other undertakings vested in the Government under any written law and companies registered under the companies registered or deemed to be registered under the Companies Act, No.7 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the Shares of that company including the accounts thereof. The NAOSL led by the Auditor General is the main actor in the public audit dimension of the public financial accountability system and is responsible for making a professional assessment, typically expressed through an opinion by the Auditor General about the probity, efficiency, and effectiveness of the use of public funds by the public entities and reports to the Parliament.

## **Introduction to the Project**

- b. The Government of Sri Lanka has received a grant for the amount of US\$ 7.6 million from the Multi-Donor Trust Fund funded by the European Union (EU) and Agency française de Développement (AFD) through the International Bank for Reconstruction and Development (IBRD), World Bank, for implementation of the Public Financial Management Strengthening Project (PFMSP). The project is comprised of two main components, component 2 of which is focused on enhancing the accountability and institutional capacity of NAOSL. and US\$ 3.5 million has allocated for the same. Under project component 2, the NAOSL is seeking to obtain the services of a qualified consultancy firm to strengthen the NAOSL audit practices.

## **2. Assignment Rational**

- a. There have been important legal and constitutional reforms, which have strengthened the mandate and institutional framework for the NAOSL. These include the 19th and 22nd amendments to the Constitution and the passing of the National Audit Act by the Parliament in 2018. Additionally, the NAOSL has carried out a self-assessment using the SAI-Performance Management Framework (SAI-PMF). In line with the SAI-PMF assessment, the NAOSL has prepared a Development Action Plan (DAP), in which the following areas have been identified for strengthening – (i) strategic and overall audit planning & audit coverage, based on risk analysis; (ii) quality assurance and reporting and (iii) professional development and training. Additionally, the use of audit management tools such as Audit Management Software (AMS) and Computer Assisted Audit Techniques (CAATs) tools.
- b. In carrying out audits, currently, the NAOSL uses Risk Based Audit (RBA) Methodology for its engagements which is based on the Sri Lanka Auditing Standards (SLAuS), the International Standards of Supreme Audit Institutions (ISSAIs), and other statutory requirements. However, there are gaps and NAOSL has recognized some gaps and the necessity to update the Risk-based Audit methodology and to improve the audit practices further in terms of adopting Information Technology solutions for improving the quality assurances mechanism and capacity of NAOSL staff to efficiently and effectively execute their constitutional responsibility more efficiently and effectively.
- c. This assignment will help NAOSL execute their responsibility entrusted by the legal mandate effectively and efficiently by strengthening core elements of the Audit i.e. audit methodology and introducing the audit management solutions such as audit management system (AMS) and Computer Assisted Audit Techniques (CAAT). Strengthening audit methodology will help improve the audit planning, audit coverage, and overall audit execution processes based on risk assessments and priorities. Similarly, the use of an Audit Management System and CAAT tools will bring efficiency and standardization of audit practices throughout the institution. The audit methodology will be strengthened by updating the NAOSL existing risk-based audit methodology, NAOSL staff will be trained to properly adopt the updated methodology, and a quality assurance framework will be developed to ensure full compliance with the updated audit methodology. Furthermore, the updated audit methodology will be embedded using the Audit Management System and CAAT tools, which will not only ensure the application of updated methodology but will improve the overall efficiency and effectiveness of the audit practices. Currently, the NAOSL has not adopted any AMS and CAAT tools, and this assignment will help the NAOSL to adopt the Audit Management System Solution and CAAT tools and support the NAOSL in institutionalizing the audit management solutions.

- d. Accordingly, the NAOSL expects to hire a Consultancy firm (Consultants) firm that possesses expert knowledge and resources to enhance the NAOSL capacity by updating the RBA Audit Methodology and Introducing IT System Solutions such as Audit Management System (AMS) and Computer Aided Audit Tools (CAAT).

### **3. Assignment Objectives:**

- a. The following will be the key assignment Objectives:
  - i. Updating the existing RBA methodology in accordance with SLAuS, provisions in the National Audit Act No. 19 of 2018, INTOSAI Standards, and other applicable statutory provisions.
  - ii. Development of the Functional Specification Documents for the Audit Management System solutions
  - iii. Comparative analysis of the available Audit Management System Solutions (AMS) suitable to the requirements of the NAOSL
  - iv. Perform the need assessment of available Computer Assisted Audit Techniques (CAATs) that NAOSL can use to enhance the effectiveness and efficiency of their audit practices, and prepare a plan for the institutionalization of the CAAT tools
  - v. Updating the Audit Manual based on updated RBA incorporating the use of the AMS and CAAT tools.
  - vi. Enhancing the quality assurance mechanism based on the gap analysis in existing mechanisms and recommendations for institutionalization.
  - vii. Developing a capacity-building plan and training program for the NAOSL to adopt an updated risk-based audit methodology
  - viii. Provide support to NAOSL for the Implementation of the CAAT Tools and Audit Management System (AMS)

### **4. Scope of Work**

The overall scope of the assignment is comprised of the following five main components Audit methodology, Audit Management System (AMS), CAAT Tools, Quality assurance, and Professional Development, and assignment is divided into three phases i.e. inception, design, and implementation phase.

#### **A. Inception:**

- a. The inception phase will include a situation analysis commencing with the review of existing practices such as existing RBA audit methodology and financial audit manual, the desk reviews including the review of Sri Lanka Auditing Standards (SLAuS), National Audit Act No. 19 of 2018, INTOSAI Standards, and other applicable statutory provisions, the NAOSL self-assessments report (SAI-PMF), etc and the best practices in Supreme Audit Institution. Additionally, this phase will include performing gap analysis in the existing products such as audit methodology, audit manual, and quality assurance mechanism, performing need assessments for upgrading existing products and introducing audit management tools to strengthen the NAOSL audit practices.
- b. The team of experts will conduct detailed consultation using focus group discussions, surveys, and individual interviews with the relevant stakeholders in and out of the government. These assessments, review, analysis and interaction, will inform the preparation of the inception

report detailing the activities to be carried out and the outputs to be produced with relevant quantifiable indicators and timelines with regards to updating the audit methodology, audit manual, and quality assurance mechanism, professional development and training, development of functional specification documents and comparative analysis of available AMS solutions, and need assessment of CAAT solutions. Description of the project deliverable and activities are given below.

## **Description of Deliverables and Activities**

### **(1) Updating RBA Audit Methodology and Audit Manual**

- a. Review the Statutory audit requirements, SLAuS, ISSAIs and other relevant international guidelines.
- b. Assess the existing Risk-based Audit methodology used by the NAOSL covering the audit planning, coverage, risk assessment, and execution of the audit including working papers, collection of the audit evidence, audit reporting, post-completion, etc. to identify the gaps and areas of improvements.
- c. Assess the existing Financial Audit Manual used by the NAOSL to identify gaps and areas of improvement
- d. Focus group discussions, interviews, and surveys with the key stakeholders to gather feedback and ensure that the updated risk-based methodology and Audit manual meet their needs.
- e. Preparing the report including the development of the work plan for updating the RBA audit methodology and Audit Manual and presenting to the NAOSL

### **(2.a) Function Specification Documents for the Audit Management System (AMS)**

- f. Assess the key processes, workflows, and detailed procedures outlined in the RBA audit methodology and audit manual in terms of audit planning, risk assessment, evidence collection, reporting, and post-completion
- g. Focus group discussion, interviews, and surveys to determine the NAOSL requirements and their vision for the Audit Management System (AMS)
- h. Preparing the preliminary report on Functional Specification Documents explaining the purpose, scope, and intended audience of the documents, and the broader overview of the system description, objective, key assumption, and dependencies including the work plan with a timeline to complete the FSD document.

### **(2.b) Comparative Analysis of the available AMS solutions**

- i. Focus group discussion and interviews with NAOSL staff to understand what's/what's not were included in the AMS that NAOSL has been using for some time, key reasons for not sustaining it, and the lesson learned
- j. Determining the key parameter/feature in terms of main functionalities/modules, flexibility with making modification/customization, System architecture, integration with other systems, data and Security features, costs and sustainability, etc. based on which the available Audit Management System solution can be assessed and evaluated
- k. identify the potential Key AMS system solution providers, prepare templates for data collection,
- l. Prepare a work plan for analysing and evaluating the available Audit Management System Solutions.

### **(3) Computer-Assisted Audit Tools (CAAT)**

- m. Carrying out the need assessments for Computer-Assisted Audit Tools given the wide audit coverage, special sectors, and evolving complexities in public sector auditing. Assist the NAOSL in finding the potential CAAT tools solutions providers in the market
- n. The team of experts will carry out extensive consultation with the concerned departments, and progress review committee to assess the need for specific CAAT Tools suitable to the NAOSL requirements.
- o. Based on the recommendation of the progress review committee for specific CAAT tools, the team of experts should assess the culture and capacity of the NAOSL in terms of professional staff and IT infrastructure required to implement and sustain the CAAT tools.
- p. Preparing the report including the work plan for making ground for the adoption of the CAAT tools and the plan for integration, and standardization of tools in institutional processes and culture.

### **(4) Enhancing the Quality Assurance Mechanism**

- q. Conducting a thorough review of the NAOSL existing audit quality assurance mechanism, including the policies, procedures, and practices.
- r. Identify the gaps in the quality assurance mechanism through comparative analysis of the existing QC&QA mechanism and the standard or good practices of the QC&QA mechanism
- s. Focus group discussion, interviews, and surveys to determine the areas of improvement in the quality assurance mechanism
- t. Prepare a report including the work plan for developing a comprehensive audit quality assurance framework aligned with the SLAuS, ISSAIs, and other relevant international guidelines.

### **(5) Professional Development and Training**

- u. Carrying out the capacity assessment of the audit staff of NAOSL Identify the gaps in the capacity by comparing the existing capacity and competency with the requisite competencies to conduct the risk-based audit of various government institutions, ministries, departments, and SOEs.
- v. Based on the above conduct the training needs assessment to cover capacity gaps
- w. Prepare a report including the work plan for the development training modules, plan for carrying out the pilot audits with upgraded risk-based methodology, and Financial Audit manual.

## **B. Design:**

The design phase will include extensive consultations with various stakeholders including NAOSL, in and outside the government, and the deliverable will be developed in agreement with the NAOSL Progress review committee

### **Description of Deliverables and Activities**

- (1) Updated RBA Audit Methodology and Audit Manual:** This will mainly comprised of the following key steps but not limited to.

- a. Redesigning the risk assessment framework to identify and evaluate the risks that could impact the achievement of the audit objective
- b. Updating the risk-based Audit planning process that prioritizes audit activities considering the level of risks and overall audit coverage.
- c. Updating the procedures for executing risk-based audits as per the updated risk management framework and risk-based planning.
- d. Additionally, updating audit reporting and monitoring, and follow-ups by establishing the guidelines for reporting audit findings and recommendations, and creating mechanisms for monitoring the implementation of the audit recommendation and:
- e. updating the Financial Audit Manual which will include the detailed procedures, guidelines, and template for auditing.

The updating/customization of the risk-based audit methodology and Audit manual will commence in the aforementioned subjects simultaneously. Both the RBA audit methodology and audit manual will particularly take into account explaining with examples or case studies on how to carry out a relevant audit activity/audit procedure. The updating will take place in consultation with the users therefore it is essential that the manual outline is agreed with the relevant departments of the NAOSL to ensure the methodology and Manual remain contextual and user-friendly. The responsibility matrix is an important component and must be included in the relevant sections.

**(2) Function Specification Document (FSD) and Comparative Analysis of the Audit Management System (AMS);** The Functional Specification Document (FSD) shall include but be limited to the following:

- f. Functional requirements providing detailed requirements from the user's perspective, including user roles and permissions, and describing the features and functionalities that the Audit Management System (AMS) must have. The functional requirement should be developed based on the consultation with the Core Team, audit teams of the NAOSL, and progress review committee, embedding the audit processes and procedures provided in the Audit methodology and audit manual in terms of audit planning, risk assessments, audit execution, collection of audit evidence, working papers, audit reporting, follow up and monitoring, etc.
- g. Non-functional requirements in terms of i) Specifying performance requirements, such as response times and throughput, ii) Outlining security requirements, including data protection and access control, iii) Defining usability requirements to ensure the system is user-friendly and iv) Describing reliability requirements, including uptime and error handling
- h. Data Requirements in terms of i) Listing the data inputs required by the system, ii) Defining the data outputs the system will produce, and iii) Specifying the data storage requirements, including database design and data retention policies
- i. System Architecture by i) Providing an overview of the system architecture, ii) Describing the main components of the system and their interactions., and iii) Outlining how the system will integrate with other systems and services.
- j. User Interface (UI) Design by defining the requirements for the user interface and including the wireframes or mockups to illustrate the User interface design.
- k. Workflow and Process Diagram: Provide diagrams to illustrate the workflows and processes within the system and describe each process in detail.
- l. Validation and Verification by outlining the testing requirements to ensure the system meets the specified requirements and defining the criteria for accepting the system.

- m. Complete the comparative analysis of the available AMS solutions based on the set criteria and taking into account the intended functional specification requirements.
- n. Support the NAOSL in evaluating the available AMS solutions to decide on adopting any specific AMS solution.

**(3) Computer-Assisted Audit Tools (CAAT):** The design phase for CAAT tools will be comprised of supporting the NAOSL in the procurement of specific CAAT tools from the service providers and preparing a plan for the customization and roll-out of the CAAT tools at the NAOSL. The key steps are as follows. Based on the recommendations of the progress review committee for specific CAAT tools, prepare the bidding documents for procuring the specific tools

- o. Prepare a plan for the customization of the CAAT tools per the requirement and suitability of the NAOSL
- p. Prepare a roll-out plan for the CAAT tools including the integration, and standardization of CAAT tools in institutional processes and culture.
- q. Support the NAOSL in the procurement process of the CAAT tools in terms of shortlisting, bid evaluation, and contracting.

**(4) Updated Audit Quality Assurance Framework:** updating the quality assurance framework shall include the following key elements not be limited

- r. The independence and mandate of the National Audit Office of Sri Lanka (NAOSL)
- s. The requisite Capacity and Capability in terms of trained staff and sufficient resources to perform the comprehensive audits.
- t. Adoption of the updated Risk-based audit methodology and Audit Manual and use of the IT systems in planning and executing the audits
- u. The Quality Control Policy Statement
- v. Quality Control and Quality Assurance processes both at the entity (NAOSL) level and individual assignment level by considering its specific needs and context and aligned with the National Auditing Standards, International Standards for Supreme Audit Institutions (ISSAI), statutory requirements, and best practices of other SAIs
- w. Detailed Quality Control and Quality Assurance procedures for all audit phases, tools and templates for conducting internal reviews, a risk-based approach to audit quality control, and a plan for the implementation and maintenance of the QC & QA mechanism.
- x. Performance Management frameworks to assess the effectiveness and efficiency of the NAOSL audit activities including measuring the timeliness, costs, effectiveness, competitiveness, and compliance with applicable Statutory requirements
- y. Transparency and Accountability aspects in terms of disclosing audit findings publicly and a mechanism for following up on the audit recommendation
- z. Stakeholder Engagement including both government entities and the public, to ensure that audit activities are relevant and that findings are acted upon.

**(5) Professional Development and Training  
Deliverables and activities**

- aa. **Development of the “Training on Trainers” (TOT) programs** which will include the training of selected groups of NAOSL staff for each development area. The TOT program shall encompass case studies, instructor notes, PowerPoint presentations, templates, and other training aids for a series of training programs and shall target the following areas:
  - i. updated risk-based audit methodology and audit manual and ensuring the knowledge transfer



- ii. use of the Audit Management System and CAAT Tools to ensure the sustainable use of AMS and CAAT tools through institutionalization
  - iii. effective adoption and implementation of the Audit Quality Assurance Framework including Quality control and Quality Assurance
- bb. **Plan for Carrying out Pilot Audits** shall prepare a plan to conduct the pilots using the updated risk-based audit methodology, audit manual, and IT systems and refine it based on the feedback and results.

**C. Implementation:**

Overall, the implementation phase will include the support to the NAOSL to implement the updated risk-based audit methodology, audit manual, and quality assurance framework. This phase will include support to the NAOSL in the roll-out of the CAAT tools and institutionalizing the tools plus support to the NAOSL in the procurement of the AMS solution in terms of bid preparation, shortlisting, and evaluation and if required and time-space allows, will support the NAOSL in the roll-out of the AMS solution. Additionally, the completion of the delivery of a professional development plan in terms of training the NAOSL staff and supporting them in the pilot audit.

**Deliverable and Activities**

- a. Develop an Implementation Plan for the updated risk-based methodology, audit manual, and quality assurance framework.
- b. The implementation plan will be developed in excessive consultation with the departments, audit experts and progress review.
- c. The implementation plan will include detailed step wise guidance on applying the updated risk-based audit methodology, audit manual and quality assurance framework.
- d. Additionally, the plan will take into the account the training of the NAOSL staff (trainer), and supervising the trainer while delivering training to the audit staff, and support during the pilot audit.
- e. Support the NAOSL in the implementation of the plan and conduct the Training of the Trainers (TOT) on the use of updated risk-based audit methodology and Audit Manual and Quality assurance framework
- f. Supervise the training sessions carried out by the TOT team to ensure the required training is delivered to the other staff of the NAOSL.
- g. Conduct the pilots using the updated risk-based audit methodology and refine it based on the feedback and results.  
Additionally, this assignment will,
- h. Providing CAAT tools implementation support to the NAOSL in terms of the following:
  - i. Support NAOSL in coordination with the CAAT tools provider to customize the tools in accordance with the requirements of the NAOSL
  - ii. Executing the CAAT tools roll-out plan to be developed by the firm during the design phase
  - iii. Support the NAOSL on the use of CAAT tools and institutionalization of the CAAT tools
- i. Support the NAOSL in developing the TORs, bid preparation, shortlisting, and evaluation of the bids for the AMS solution to be decided by the NAOSL based on the

comparative analysis and evaluation of the available AMS solutions through this assignment

- j. Prepare the customization plan for the selected AMS solution taking into account the views of the NAOSL and functional specification requirements.
- k. the firm will provide the implementation support of the AMS solution in terms of the following:
  - i. Preparing the roll-out plan for the AMS solutions providing requirements in terms of pre-requisite to be fulfilled by the NAOSL in terms of IT and Human capacity to implement the system, also covering phases of the technical deployment, configuration design, and professional capacity building and training.
  - ii. Support the NAOSL coordinating the customization requirement of the AMS solution to the solution provider
  - iii. Support NAOSL in executing the AMS roll-out plan.

## 5. Data, Services, and Facilities to be provided by the Client

### 5.1 Data, information, and Report

### 5.2 Office, Services and Other Facilities:

The basic facilities such as an office facility and communications facilities. However, facilities such as transport, and required technical staff should be borne by the Consultant and other related recurrent expenditures and facilities also should be borne by the consultant/contractor selecting. The project team of the NAOSL will provide maximum support as per the agreed limitations of the contract. The professional and support counterpart personnel, other than those mentioned above, should be assigned by the Consultant in the Consultant’s team. The details of the project staff with their individual CVs that are employed by the should be provided using the formats given in “Annexure - II” and “Annexure - III”.

## 6. Key Professional, role, and Responsibilities

- c. The key professional’s Roles, Qualifications and Responsibilities are summarized below. The firm may submit the proposal with adding the entire team for the assignment, however, proposal scoring will be done based on the following key professional.

S. No.	Qualification	Experience	Responsibilities/ Role	Months/ output Time
K-1	<b>Team Leader (1 position)</b> Internationally recognized professional accounting qualification or a master’s degree in accounting, finance, economics, or other related fields.	At least 10 years’ experience in implementing and managing Public Financial Management Reforms, at least one assignment related to reforms in the Supreme audit office in terms of enhancing accountability and institutional capacity. Demonstrated experience in leading and delivering large assignments.	The prime responsibility of this role is to provide leadership and direction to the whole team, to assign work, provide guidance, monitor outputs, and ensure that the whole team is responding effectively to the needs of the assignment.	14 months

K-2	<p><b>Expert (Audit Specialist) (2 positions)</b> Internationally recognized professional accounting qualification or a master's degree in accounting, finance, or other related field.</p>	<p>At least 08 years post qualifying experience in the field of financial audit holding reputed financial audit assignments in an ERP environment using audit management system and CAAT tools. Additionally, experience in conducting and managing audits, preparing manuals and guidelines, training modules, and delivering training. and involvement in the development or roll-out of AMS and CAAT tools solutions</p>	<p>Prepare the updated risk-based Audit methodology Manual and quality assurance framework. Work with the functional and technical experts for AMS and CAAT and with training experts to contribute to the development of the functional specification documents for AMS, assessment of CAAT tools, professional development, and training. Deliver training based on the modules developed as per the training plan.</p>	14 months
K-3	<p><b>IT system Functional Expert (IT Audit Specialist) (2 positions)</b> Master's degree in information technology-related fields with an Internationally recognized professional certification in the field of Information technology.</p>	<p>At least 08 years post-qualifying experience in the field of system development and implementation in the public sector and at least one assignment in the development and roll-out of the AMS system and CAAT tools either in the public or private sector. Additionally, experience in developing systems user manuals.</p>	<p>Conducting assessment for the AMS and CAAT tools, preparing Functional specification documents and comparative analysis of the AMS, contributing to preparing customization plans for AMS and CAAT tools, and roll-out of the CAAT Tools and AMS system. Additionally contributing to the updated audit methodology, financial audit manual, professional development and training on the use of the CAAT tools and AMS system.</p>	12 months
K-4		<p><b>IT System Technical Expert (1 Position)</b> Master's degree in information technology-related fields with an Internationally recognized professional certification in the field of Information technology. At least 08 years post-qualifying experience in the field of technical assessment for information system</p>	<p>Conducting the technical assessment for the AMS and CAAT tools, contributing to preparing Functional specification documents and comparative analysis of the AMS from the technical perspective. Technical Contribution to preparing customization plans for AMS and CAAT</p>	12 months

		development and implementation in the public sector and at least one assignment in the development and roll-out of the AMS system and CAAT tools either in the public or private sector.	tools, and roll-out of the CAAT Tools and AMS system	
<b>K-5</b>	<b>Expert (Audit Training) (1 position),</b> Internationally recognized professional accounting qualification or a master's degree in accounting, or finance.	At least 8 years' experience in Training, conducting and managing audits, preparing manuals and guidelines, preparing training modules, and delivering training.	Conduct Training needs assessments, prepare Training Plan for the trainer, prepare training modules, deliver training to the trainer supervise the training sessions by the trainer, and manage delivery of the overall training plan	6 months

## 7. Reporting Requirements and Time Schedule for Deliverables

<b>Order</b>	<b>Deliverables</b>	<b>Time Schedule (From the date of Contract Date)</b>
<b>7.1</b>	<ul style="list-style-type: none"> <li>a. Inception Report</li> <li>b. Draft review report including a review of documents, assessments of gaps and requirements, and the work plan for the development of Updating-Risk based audit methodology &amp; Audit Manual</li> <li>c. Developing Functional Specification Documents for AMS Solution</li> <li>d. Comparative Analysis and Evaluation of the Audit Management System (AMS)</li> <li>e. Need assessment for the CAAT Tools</li> <li>f. Developing the Quality Assurance Framework</li> <li>g. Professional Development Plan and Training Program</li> </ul>	Within 02 month
<b>7.3</b>	<p><b>Final Review Report</b></p> <p>The final review report should incorporate the comments, suggestions, and proposals made by the NAOSL</p>	Within 03 months
<b>7.4</b>	<p><b>Design Phase</b></p> <p>During the design, the firm shall complete the draft</p> <ul style="list-style-type: none"> <li>a. Updated-Risk-based audit methodology and Audit Manual</li> <li>b. Functional Specification Documents for AMS</li> <li>c. Completing the Comparative Analysis and Evaluation of the Audit Management System (AMS)</li> <li>d. Preparing the bidding document and roll-out plan for CAAT Tools</li> <li>e. Quality assurance Framework</li> <li>f. Professional Development plan and Training module</li> </ul>	Within 07 months

7.6	<b>The Final Documents incorporating comments, suggestions, and proposals by the NAOSL</b>	Within 08 months
	<b>Implementation Phase:</b> <b>This shall include</b> <ul style="list-style-type: none"> <li>• The implementation plan for the updated Risk-based audit Methodology, Audit Manual, and Quality Assurances Framework</li> <li>• Support to complete Customization and roll-out of CAAT Tools</li> <li>• Prepare the bidding documents for AMS Solution</li> <li>• Prepare the AMS customization</li> <li>• If required: Prepare AMS Roll-out plan and Support the NAOSL in bid evaluation and implementation of the AMS</li> <li>• Completing at least 10 sessions of Training of the Trainers (TOT) Program</li> <li>• Complete the Supervision of at least 5 sessions of Training for NAOSL staff (audit officer) by the Trainer(NAOSL Core Audit team)</li> <li>• Conduct at least 10 pilot audits using the updated risk-based audit methodology</li> <li>• Complete refining the risk-based audit methodology based on the feedback and results during implementation</li> </ul>	Within 14 months

## 8. Procedure for Review of Deliverables

- The NAOSL will appoint a well-structured progress and quality review committee for the analysis of the review process of the deliverables. This team will be comprised of diverse experts and members from the NAOSL. The WB also reviews the progress of the deliverable from time to time in different modes.
- The quality reviewing team basically will review the following with the time targets:
  - a. The progress against requirements - To ensure that the deliverable meets all the specified requirements and objectives outlined in the project scope or statement of work.
  - b. Check for consistency- To verify that the deliverable is consistent with other project documents, such as design specifications, previous deliverables, or standards.
  - c. Assess quality standards -To evaluate whether the deliverable adheres to internal or industry quality standards, including accuracy, completeness, and correctness.
  - d. Engage stakeholders -To obtain feedback from relevant stakeholders to ensure the deliverable meets their expectations and needs, etc.
  - e. Review of deliverables is to ensure that the project is progressing as planned and to meet stakeholder expectations, whether deliverables meet required standards.
  - f. Evaluate the success of an initiative and identify areas for improvement
  - g. Conduct a realistic calculation of the progress and analyze potential areas of growth or improvement as per the agreed conditions.

## 9. Payment Schedule

- d. Prospective consultants/contractors or service providers should indicate the cost of services for each deliverable in Sri Lanka Rupees when applying through bidding for this consultancy. The Proposer will be paid only after the approving authority confirms the successful completion of each deliverable as stipulated above and basically, the payments will be released as in Table 05 given below.

Order	Number of the deliverables	Payments / Deliverables	Time and Payment Schedule
A	10% Advance Payment of the contracted price after signing the agreement		
B	15% of the payments will be made after completing the draft deliverable at the inception phase after 2 months of signing the agreement. The draft inception report will include the review, gap analysis, and work plan for the following		
	01	Implementation plan for the updated Risk-based audit Methodology, Audit Manual, and Quality Assurances Framework	
	02	Developing Functional Specification Documents	
	03	AMS Comparative Analysis and Evaluation	
	04	Need assessment for CAAT Tools	
	05	Professional Development and Training modules	
C	5% payment after finalizing the inception report covering above 1 to 5 items within three months of the signing of the agreement.		
D	25% of the payments will be made after completing the draft deliverable at the design phase after 07 months of signing the agreement. The draft deliverables will include the following		
	06	Updated Risk-based Audit Methodology, Audit Manual, and Quality Assurance Framework	5%
	07	Functional Specification Document for AMS Solution	5%
	09	Comparative Analysis and Evaluation of the Available AMS Solutions	5%
	10	Bidding document and roll-out plan for CAAT Tools	5%
	11	Professional Development Plan and Training Modules	5%
E	5% payment after finalizing the Draft Deliverables covering the above 6 to 11 items within 08 months of the signing of the agreement.		
F	40% of the payments will be made after completing the draft deliverable at the implementation phase after 14 months of signing the agreement. The draft deliverables will include the following:		
	12	Implementation plan for the updated Risk-based audit Methodology, Audit Manual, and Quality Assurances Framework	5%
	13	Customization and roll-out of CAAT Tools	5%
	14	Bidding documents for AMS Solution	5%
	15	AMS customization plan	5%
	16	10 sessions of the Training of the Trainers (TOT) Program	5%
	17	Supervision of at least 5 sessions of Training by NAOSL Core team	5%
	18	10 pilot audits using the updated risk-based audit methodology	5%
	19	Refining the risk-based audit methodology based on the feedback and results during implementation	5%
	20	Prepare AMS Roll-out plan,	
	21	Complete bid evaluation, and implementation of the AMS	
G	10% of each of the above payments will be retained by the NAOSL as retention payments and will be paid after three months of completing the assignments.		