

República Democrática de São Tomé e Príncipe

(Unidade – Disciplina – Trabalho)

MINISTÉRIO DO PLANEAMENTO, FINANÇAS E ECONOMIA AZUL

Agência Fiduciária e de Administração de Projectos Projecto Reforço de Capacidade Institucional

PRORROGAÇÃO DO PEDIDO DE MANIFESTAÇÃO DE INTERESSE (SERVIÇOS DE CONSULTORIA)

PAÍS: São Tomé e Príncipe

PROJETO: Projecto Reforço de Capacidade Institucional (PRCI)

Serviços de consultoria, Ref nº: 49/C/ICB/2019: Auditoria financeira às 4 empresas do Estado.

O Governo da República Democrática de S. Tomé e Príncipe recebeu um apoio financeiro do do Banco Mundial para implementar o Projecto Reforço de Capacidade Institucional (PRCI/D-3080), e pretende aplicar parte deste financiamento em serviços de consultoria para auditar as quatro empresas do Estado a saber: EMAE, ENAPORT, ENASA e CORREIOS.

Os serviços de consultoria ("os Serviços") incluem:

- (i) Executar procedimentos para obter evidência de auditoria sobre os valores e as divulgações nas demonstrações financeiras;
- (ii) Garantir que a selecção desses procedimentos seja baseada em julgamento adequado, incluindo a avaliação dos riscos de distorção relevante nas demonstrações financeiras, independentemente se causada por fraude ou erro;
- (iii) preparação do relatório anual agregado da Unidade de seguimento;
- (iii) Elaborar procedimentos de auditoria após ter em consideração os procedimentos de controle interno relevantes para a elaboração e apresentação adequada das demonstrações financeiras das Empresas Públicas que sejam apropriadas nas circunstâncias, mas não com a finalidade de expressar uma opinião sobre a eficácia do controle interno da entidade;
- (iv) Avaliar a adequação das práticas contábeis utilizadas e a razoabilidade das estimativas contábeis significativas feitas pela administração, considerar a apresentação global das demonstrações financeiras.

Os Termos de Referência (TdR) detalhados para a tarefa poderão ser consultados:

Em anexo à este pedido de manifestações de interesse, ou na página de internet do Tela Non – Anúncios, no site da AFAP, ou nas instalações da AFAP, nos dias úteis, das 8h30m às 12h00m e das 14h30m às 17h00m, cujo endereço e contacto encontram-se abaixo.

A Agência Fiduciária de Administração de Projectos convida os **consultores (gabinetes/empresas/firmas) qualificados** (“Consultores”) a manifestarem o seu interesse em fornecer os referidos serviços, através do envio da Carta de Intenção, CV e dos comprovativos (experiência global do gabinete, execução de contractos similares financiados pelo Banco Mundial, experiência de trabalhos na região, etc.) em envelope fechado e devidamente identificado, dirigido ao Director-geral da AFAP **até às 09 horas locais do dia 28 de Agosto**, para o endereço abaixo indicado ou para o endereço e-mail: projectrci17@yahoo.com ou carlosbonfim53@hotmail.com ou afap2@yahoo.com.br com a indicação do assunto: Ref. Nº **49/C/ICB/2019**, primeiro e último nome.

Chama-se a atenção dos consultores interessados para a Seção III, parágrafos, 3.14, 3.16 e 3.17 do “Regulamento de Aquisições de Mutuários do IPF” do Banco Mundial datado de Julho de 2016, revisto em Outubro de 2017 e Agosto 2018 (Regulamentos de Aquisições) estabelecendo a Política do Banco Mundial sobre conflitos de interesses.

Uma “lista curta” de consultores (firmas) será seleccionada de acordo com o método de selecção baseada na qualidade e no custo, estabelecido nos Regulamentos de Aquisições. Os critérios para criação da lista curta são os seguintes: experiência específica da empresa/gabinete em matéria de auditoria contábil e financeira, trabalhos realizados em projectos similares ou afins financiados pelo Banco Mundial e capacidade técnica e de gestão da empresa (gabinete).

Mais informações podem ser obtidas no endereço abaixo durante o horário de expediente: 08h30 às 12h00 e das 14h30 às 17h00.

A Agência Fiduciária de Administração de Projectos

Attn: Alberto Leal, Director-geral da AFAP

Avenida Kwame Nkrumah, Edifício do Afriland First Bank, 2º andar

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TERMS OF REFERENCE

AUDIT OF THE FINANCIAL STATEMENTS OF PUBLIC CORPORATIONS

Background and Objective of Work

The Government of São Tome and Principe (GOSTP) is currently implementing a set of measures aimed at re-establishing the operating capacity and financial sustainability of Publicly owned corporations. In this regard in 2018, it commissioned the pre-audits of the financial statements for the year ending December 31, 2016 for the following Public Corporations:

- ENASA (Airport Management Corporation),
- EMAE (Public Power Company,
- ENAPORT (Public Port Management Corporation) and
- CORREIO (Mail Service Company).

As a result of the pre-audits, the Financial Statements of such corporations were revised to comply with a Financial Report Framework (FRF) that is aligned with the International Financial Report Standard (IFRS). These revisions were a result of the findings of the pre-audit exercise, including:

- Relevant errors or material abnormalities in the Financial Statements of the public corporations; and
- Significant bottlenecks in the policies, procedures and internal controls of corporations concerning the preparation of the financial Statements.

The pre-audit report led to improvements in the quality of the respective financial statements of such corporations for the year ended December 31, 2017. Based on this, the Government intends, with the technical and financial assistance of the World Bank provided through Strengthening Institutional Capacity Project (SICP), to commission the audit of the financial statements of the above mentioned Public Corporations for the years ending in 2017 and 2018.

Audit Objective

The objective of the audit of the Financial Statements will be to enable the auditor to express a professional opinion on whether the financial statements present fairly, in all material respects, the financial position of the enterprise and the results of its operations and related cash flows.

Scope of Work

The auditor shall undertake the assignment in accordance with the International Standards on Auditing (ISA) as defined by the International Federation of Accountants, and comply with the Code of Ethics for Professional Accountants set out by the International Ethics Standards Board for Accountants.

Auditor's Responsibility

The responsibility of the auditor is to express an opinion on the financial statements of the Public Corporations based on the audits. These should be conducted in accordance with international standards on auditing. The auditors should plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The auditor will also ensure that the audit evidence obtained is sufficient and appropriate to provide a reasonable basis for the audit opinion. The Auditor will ensure the following:

- Perform procedures to obtain audit evidence about the amounts and the disclosures in the financial statements;
- Ensure that the selection of these procedures is based on adequate judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error;
- Design audit procedures after taking into consideration internal control procedures relevant to the preparation and fair presentation of the Public Corporations' financial statements that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, consider the overall presentation of the financial statements.

Responsibilities of the Management of the Public Corporations

The management of the Public Corporations shall ensure adequate access by the Auditor to the Corporations' accounting records, financial reports, other documentation and any related explanations necessary for the fulfilment of the duties of the auditor. In addition, management will ensure access to all staff of the Public Corporations during the audit and will facilitate the physical inspection of all the Corporations' fixed assets.

Audit Report

The Auditor shall issue an audit report on the financial statements of each Public Corporation containing the audit opinion. The report will include at least the following:

- 1 - The title, addressees, and an opening or introductory paragraph containing
 - identification of the financial information audited including the period covered; and
 - statement of the responsibility of the management of the Corporation and the responsibility of the auditor.
- 2 - A scope and methodology paragraph describing the nature of the audit, including:
 - the accounting standards that have been applied and indicate the effect of any deviations from those standards;

- the audit standards that were applied (INTOSAI standards, ISAs, or national standards that comply with one of these in all material respects); and
- the work the auditor performed.

3 - An opinion paragraph disclosing whether the financial statements the financial position of the Public Corporation and the results of its operations and its cash flows.

Management Letter

In addition to the audit reports, the auditor will prepare a management letter in which the auditor will:

- give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- report on the compliance with relevant legislation where necessary;
- communicate matters that have come to attention during the audit which might have a significant impact on operations and financial position of the Corporation;
- bring attention any other matters that the auditors consider pertinent; and
- include management's comments in the final management letter

Similar engagements undertaken

The Auditor shall provide a list of similar engagements provided in relation to other entities and enterprises in STP.

For each of the references, the Auditor will indicate:

- Customer's Name and address
- Activity Sector;
- Time (project implementation start/end date);
- Description of works provided;

Auditor's Qualifications

The Auditor will be a firm of auditors with adequate expertise in financial audit. The Auditor must constitute a team who should have:

- relevant professional and educational qualifications and license/registration;
- sufficient in-depth experience in conducting audits of the financial statements of publicly owned corporations;
- experience in auditing in the region and have the relevant Portuguese language skills; and
- no conflict of interests in relation to the Public Corporations and their activities.

Timing

The audit of the financial statements will begin in June 2019 and will be conducted for a period of not more than sixty days from the date of signature of the contract. At the end of this period, the Auditor will be expected to submit the first draft of the audit report.

All information and documentation shall be provided in Portuguese language.

ANNEX I

EMAЕ's Institutional Background

The water and Power Company of São Tome and Principe, (EMAЕ), has historically had a problematic management which has threatened the sustainability of power supply. The EMAЕ is a thermal energy producer, about 93,5%, although its target is to attain 40% of renewable energy in near future. The EMAЕ's dependence on fuel import, due to its poor storage capacity, subject the company to. oil prices instability. Fuel is purchased from the *Empresa Nacional de Combustíveis e Óleos*(ENCO), the National Oil and Fuel Company, the country's sole fuel supplier , which is 75 % held by the Angolan Oil Corporation (SONANGOL) and 16% by the Government of STP .For payment of imported fuel the EMAЕ is subject to an administrative price set out by the Government in order to manage price instability and it also benefits from a tax exemption over fuel import. Another form of governmental support is through governmental issuance of state bonds for payment of imported fuel. The EMAЕ has not been able to pay for the majority of imported fuel in the last decade, resulting in estimated accrual of debts in the amount of 37 million Euros by2016, about one seventh of the Country's GNP Despite such high level of accrued debt the EMAЕ has been working under an existing arrangement between ENCO and the State.

Table1: Key Indicators of Performance

Parameter	Amount
Power Enrollment fee	59%
Number of Customers for power supply	51.527
Supply Capacity	26 MW
Power Matrix	93,4% Thermal, Remaining Hidropower
Private sector contribution to power generation	0,0%
Average Cost of service	0,32 \$ / KWh
Average Tariif	0,21 \$ / KWh
T&D Average Loss	40%
Power account charge fee	85%, but only 50,5% of production is charged
Debt (water, electric power and basic sanitation)	US \$ 38,6 millions

Despite its possession of one of the largest tariffs in the region, with an average tariff of US\$ 0,21 per kWh, the EMAЕ is not able to recover costs due to a power generation matrix which depends , largely, on an ineffective thermal capacity.

ANNEX II

ENAPORT's INSTITUTIONAL BACKGROUND

The ENAPORT Is a collective entity of public right, created by Decree-Law Nr.03/89 dated March 21 and published on the OFFICIAL GAZETTE Nr.3. Fifteen years later its By-laws was approved by the Decree-law Nr. 15/04 dated December 30, published on the OFFICIAL GAZETTE Nr 13. On the terms of Nr. 1 of the Article 1 of the above referred By-laws, the ENAPORT was granted responsibilities and autonomous legal power as well as administrative, financial and patrimonial autonomy. Likewise the Nr1 of the Article 2 states that the objective of this corporate is port and custom management in STP, seeking its economic exploitation, preservation and development by undertaking competences and prerogatives of port authority which are or shall be bestowed to it, aiming at port exploration, management and development in STP, provision of services to ships, port outflow of goods and port service users as well as shipping and security maintenance within its legal scope of works..

The ENAPORT Directorate is governed by a Director General entrusted with power to carry out activities related to services planning, restructuration and management to ensure reinforcement of the existing laws.

The ENAPORT is currently constituted as follows:

- General Directorate
- Fiscal Council
- Managing Board

THE LAST FIVE YEARS MAP OF CORPORATE FEATURES `(IN MILLIONS)

TITLE	2014	2015	2016	2017	2018
1 – EQUITY					
Share Capital	50,00	50,00	50,00	50,00	
Número of existing shares or quotes					
2 – Activities Operation Outcomes					
Business Bulk	70.765,10	87.179,02	92.669,48	104.206,13	
Incomec Before Tax	546,66	913,74	2.009,86	3.002,72	
Operation Net Income	335,21	592,80	1.380,75	2.259,54	
3 – Income per share					
Dividends per share					
4 - Personnel					
Average Salary during the Activities	127	148	156	151,00	

Source: ENAPORT `s Balance sheet and accounts 2017 and 2018

ANNEX III
ENASA's Institutional Background

The National Air Security and Airport Corporation was created in December 1987 with the objective of implementing the State policy in the airport field. The ENASA has historically had a problematic management spotted by internal conflicts that have largely impacted on the sustainability of the corporate.

The ENASA is in charge for maintenance and security operation of the airport premises with focus on airport and airdrome management aiming at economic exploitation , provision of services to aircrafts and passengers and storage of goods as well as flight information, advisory, traffic control and air security activities within the Sao Tomean air space. A relevant contribution of the airport to the local economy is touristic visits from abroad, such as Europe, America and Africa as well as other regions of the globe. The connection between the two islands is guaranteed by the STP Airways and Africa Connection comprising thirteen flights, in a weekly basis. Relatively to international connection flights are guaranteed, mostly, by foreigner airways which provide sixteen weekly flights from and to Europe and Africa. The overall accrued internal debts by the ENASA towards other institutions is estimated 3.0 million Euros by the end of 2016.

Lack of investments throughout the years has negatively impacted on the corporate 's operation status. In response to this, the Government has recently started a set of contacts with development partners searching for funds to modernize the airport as the short term solution. Such interventions will, largely, contribute for the enhancement of tourism and other airport services.

The ENASA is, most of times, referred as a company technically in bankruptcy and financially unsustainable. The ENASA managers do not support such opinion as the amount of corporeal and non-corporeal assets used by the corporate to carry out its tasks is largely, superior to corporate liabilities .The problem is that such assets have never been inscribed as corporate `s assets and therefore, have never been registered into the corporate's account, giving room to reports, even from the World Bank, stating that the Corporate has a negative balance, thus, graded as financially unsustainable and technically in bankruptcy .

THE LAST FIVE YEARS MAP OF THE CORPORATE'S FEATURES (IN MILLIONS)
(Millions STD)

TITLE	2012	2013	2014	2015	2016
I End of Activities` EQUITY					
Share Capital of existing Shares and Quotes	495,28	495,28	495,28	495,28	495,28
II – Activitie s ` Number of Operation Outcomes					
VBusiness Bulk	60.181,74	55.047,95	55.937,36	64.672,70	74.311,43
Incomes before Tax	-5.885,45	-12.716,95	-9.053,68	-2.143,10	6.608,59
Operation Net Income	-5.885,45	-12.716,95	-9.053,68	-2.143,10	6.608,59
III Income per Share					
Dividend Per Share					
IV - PEERSONNEL					
Average salary During activities					189,00

ANNEX IV
Institutional Background

Mail Service Corporate Profile

The Empresa dos Correios (National Mail Service Company) is a public entity based in São Tome with administrative, financial and Patrimonial autonomy

The corporate was legally established in the framework of the state corporate creation and organization process under line a) of the Article Nr. 1 of the Decree-law Nr. 2/82 dated December 31,1981, resulting from the extinction of the former Directorate of Telecommunications and Mail Services.

This Corporate `s asset is exclusively public and covers lands, buildings, equipments including furniture as well as Office and IT equipments, vehicles and other support materials used to carry out commercial techniques activities.

The Mail Service Corporate is a postal sector whose main activity is the traditional mail service with its traditional business portfolio of correspondence, package order followed by its postal production line (printing &finishing), retrieval, treatment, transportation, distribution and delivery.

Lack of products and mostly services has consequently been generating a strong deficit in terms of revenues.

This Corporate holds, among its patrimonial structures, premises all over the national and regional territory which might contribute to service provision, rather than some of them being rented, and some inoperative.

The corporate `s financial and economic status is totally deflationary, it has not received any relevant funding source to undertake the rubrics of the economic years ` provisional budget, . The successive country Governments have not been able yet to revert this situation, showing therefore, a complete commitment on the development of the country ´s single postal sector.

Nowadays the Mail Service Corporate continues in a critical, obsolete status, the debts of services provided by the UPU (**União Postal universal**) above all, regarding quotes are very high, owing to non-compliance with payments by the state contrary to its By-laws.

The corporate has benefitted from workshops and seminars on the establishment of services and trade including financial service and postal area operation system, but the corporate shall not practice it within the country because of the high amounts of such debts.

It`s necessary the Government to have a new vision about the postal sector, about the corporate for several existing investments from domestic resources do not satisfy the current expenditures, therefore, this corporate is completely bankrupted.

Outcomes

Profits and Gains	2016	2017	Variation
Sale/ Production Made	40.343.500	436.648.550	91%

Service Provision	2.377.784.475	1.505421.805	-58%
Corporate `s self - production	0	0	0
Diverse Profits/ Gains	1.469.931.098	1.542081.110	5%
Contribution to Exploration	0	0	0
Off - production related Profits	2.585.577.041	844.696.486	-206%
Interests and Incomes Obtained	0	0	0
Overall	6.473.636.114	4.328.847.954	-50%