

## **REQUEST FOR PROPOSALS FOR PROVISION OF EXTERNAL AUDIT SERVICES**

### **1. Background**

African Wildlife Foundation (AWF) is an international conservation organization formed in 1961. Together with the people of Africa, AWF works to ensure that the wildlife and wild lands of Africa will endure forever. Headquartered in Nairobi, Kenya, AWF has field offices in nine African countries: (Tanzania, Uganda, Cameroon, Zimbabwe, Ethiopia, Democratic Republic of Congo, Niger and Rwanda) and is registered in the United Kingdom, Canada, Switzerland, and South Africa.

AWF intends to procure the services of a qualified and experienced professional external auditor to offer external audit services for AWF Rwanda office for the financial year ending 30<sup>th</sup> June 2022.

AWF follows Generally Accepted Accounting Practices. The books are kept using a centralized accounting system, Serenic Navigator (based on Microsoft Dynamic NAV), which is accessible to all offices real-time. Transactions are initiated by staff through a web-based accounting portal based on the Microsoft SharePoint platform. Staff time records are kept using the Unanet system, which is also web-based. AWF's procurement, treasury, grants, and general ledger accounting functions are centralized in Nairobi and DC offices. While field offices all house local finance personnel to address day-to-day needs, the Nairobi and DC based staff transact whenever practicable. AWF's banking, for the most part, is divided between two institutions - Bank of America in the United States, and Standard Chartered Bank in Africa. The organization will be migrating to a new accounting system in 2021, but the system will not be operational prior to FY 2022. AWF has selected UltiPro as its new Human Resources Information System (HRIS) which will eventually replace Unanet for time & attendance.

### **2. Objective of the Audit**

The objectives of the service required will be for the auditor to:

- I. Confirm that the books of accounts provide the basis for preparation of the financial statements and that they are established to reflect the financial statements and
- II. Confirm that AWF maintains adequate internal controls and supporting documentation for its transactions.
- III. Express a professional opinion on the financial statements of the AWF on whether the statements present fairly the financial position at the end of each financial year and

- IV. Confirm that AWF prepares in accordance with accounting principles, standards and all relevant laws and regulations.
- V. Confirm that AWF's financial statements presents fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;
- VI. Confirm that AWF has an internal control structure and other control systems to provide reasonable assurance that it is adequately managing its financial affairs.
- VII. Confirm that AWF has complied with applicable laws and regulations that may have a material impact on the financial statements.

### **3. Preparation of Annual Financial Statements**

#### **a) AWF's responsibility**

The responsibility for the preparation of financial statements including adequate disclosure lies with the AWF. AWF is also responsible for the selection and application of accounting policies and preparing the Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS) or other internationally recognized Accounting Standards.

#### **b) Auditor's responsibility**

The Auditor's responsibility is to form and express opinions on the financial statements. The Auditor will carry out the audit of the Financial Statements in accordance with the International Standards on Auditing (ISA) and as part of the audit process, the auditor may request from the AWF a written confirmation concerning representations made in connection with the audit.

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

- i. The primary focus of the audit work is to examine the AWF's financial records in accordance with International Standards of Auditing (ISA) and International Public Sector Accounting Standard (IPSAS) or any other relevant International Accounting Standards. Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of financial statements or any other findings.

These Terms of Reference address audit requirements for the audit of financial statements of the AWF covering the period from; **November 1, 2021 to June 30th 2022;**

### **5. Deliverables**

#### **a) Audit Report**

An audit report will be issued at the completion of the audit and the report should state;

- i. Whether the financial statements present fairly its financial position
- ii. The results of its financial operations in accordance with generally accepted accounting principles and
- iii. Whether the reports were in conformity with the relevant standards and any other statutory obligations and regulations.

## **b) Management Letter**

The management letter must include the following;

- i. A statement of audit findings and recommendations affecting the financial statements, internal controls, accounting & information systems, and
- ii. Other instances of noncompliance with legal requirements and any other material matters.

The Auditor should shall;

- a) Identify specific deficiencies or areas of weakness in systems and controls
  - b) Bring to the AWF's attention any other matters that the auditor considers pertinent and
  - c) Make recommendations to resolve/eliminate the internal control weaknesses noted.
- iii. The management letter should contain management comments/response to audit findings and recommendations.
- iv. The management letter should be in compliance with IAS 701 (*auditor's responsibility to communicate key audit matters (KAM) in the auditor's report*) requirements.
- c) A presentation of the draft audited financial statements and the Management Letter shall be made to the Audit Committee of AWF'S board.

## **d) Timelines**

Draft audited financial statements should be submitted to the AWF by 15<sup>th</sup> November 2022.

## **6. Auditor Independence**

The auditor shall display total impartiality and independence from all aspects of management whether financial or any other vested interests in the AWF. The auditor shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business

relationships with the management of AWF. The auditor shall disclose any relationship that might possibly compromise his/her independence in providing this service to the AWF.

## **7. Eligibility Criteria**

Eligible Audit firm should meet the following criteria:

1. Compliance with legal requirements of registration
2. Be registered with the Institute of Certified Public Accountants of Rwanda or equivalent and its partners must hold current practicing certificates.
3. Experience of the audit firm with audit reporting under International Financial Reporting standards (IFRS) and International Standards on Auditing (ISA)
4. References for similar audits performed within the last three years (From 2018 and above)
5. Provide Audit Methodology, Proposed Work-plan, Curriculum Vitae for the partner, manager and key staff proposed for the audit team
6. Audit firm and staff must be independent of AWF and affirm their independence in the engagement letter.
7. Any actual or potential conflict of interest in taking up this role should be highlighted.
8. The firm should demonstrate capacity, capability and experience required to undertake the audit within 15 days.
9. The firm should hold a valid Tax compliance certificate.
10. Experience with Audits with International NGOs
11. The firm should have been in practice for a period of not less than 5 years.

**Note: A detailed evaluation criteria is presented in Appendix 1 below.**

## **8. Technical requirements**

In the bids, the tenderers are expected to:

- Provide an exposition of their technical expertise in audit and advisory services
- the audit firms could include in their proposals /quotations their standard structure of an audit report as reference
- Demonstrate experience of auditing international non-governmental organizations;
- Provide a brief description of approach to the assignment
- Provide references of recent experiences in performing external audit services, which should be a sample list of past clients, which should include the name of the organization, contact person, designation, contact number and email, nature of the service and period of the appointment.

- Provide any value addition services you would be able to provide besides the contracted service.

#### **9. The Key Team will comprise of at least:**

- An Engagement Partner with over 10 years' auditing experience, with sound knowledge of donor financed projects;
- An Audit Manager with over 5 years of experience in auditing and with sound knowledge of donor financed projects;
- An Audit Team Leader with at least 3 years' experience in auditing with sound knowledge of donor financed projects
- Sufficient Assistant Auditors with adequate experience, professional qualifications, with sound knowledge of donor financed projects.

#### **10. Proposals will be evaluated on;**

- The technical expertise/ability
- The organizational capacity
- Experience in similar work
- Value addition services besides contracted work
- Favorable references
- Financial proposal

#### **11. Submission of Bids**

- Please indicate the validity period of your proposal. We expect your proposal to remain valid for a period of at least 30 days.
- Interested audit firms that meet the above requirements should send both Technical and Financial Proposals as one attachment to: [GNdabananiye@awf.org](mailto:GNdabananiye@awf.org) with a copy to [procurement@awf.org](mailto:procurement@awf.org) on or before **5<sup>th</sup> October 2022**
- The financial proposal should be broken down into the various costed items
- This tender shall be considered competitively.
- The final agreement will be in the form of a written contract.
- AWF reserves the right to reject any or all the submissions received and will not be bound to accept the lowest bidder.



## Appendix 1: Evaluation Criteria

<b>A. Mandatory Requirements</b>				
<b>No</b>	<b>Particulars</b>	<b>Marks</b>	<b>Compliant</b>	<b>Non-compliant</b>
1.	Copy of Certificate of Incorporation/Certificate of Registration	1 or 0		
2.	Copy of valid Tax Compliance certificate	1 or 0		
3.	Copy of PIN Certificate	1 or 0		
4.	Must submit 2 years certified copies of audited financial report (2019/2021, 2020/2021)	1 or 0		
<b><i>Only those that meet the mandatory requirements in Section A will move to next stage of the evaluation.</i></b>				
<b>B. Expertise of firm/organization submitting proposal</b>				
		<b>Score</b>	<b>Max.</b>	
5.	Impartiality, Independence and Perceived Conflict of Interest of the Firm		5	
6	Ability to conduct audit in for projects present in the following countries: (Kenya, Tanzania, Uganda, Cameroon, Zimbabwe, Ethiopia, Democratic Republic of Congo, Niger and Rwanda)		16	
7.	General Organizational Capability which is likely to affect delivery i.e. 2 loose consortium (3 marks);		10	

	2 holding company (5 marks);			
	3 One firm (10 marks)			

8.	Extent to which any work would be subcontracted  (Subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills).  2 Non-subcontracting (5 marks)  3 Sub-contracting (0 marks)		5	
9.	Experience in reviewing various projects funded by various donors:  2 US Government (4 marks)  3 European Union (4 marks)  4 Any other (2 marks)		10	
10.	2 Value add in addition to Audit		8	
	<b>Sub-total</b>		<b>54</b>	
<b>C. Proposed Work Plan and Approach</b>				
11.	Is the scope of task well defined and does it correspond to TOR		5	

12.	Is the audit methodology adopted appropriate for the task?		5	
13.	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?		10	
	<b>Sub-total</b>		<b>20</b>	
<b>D. Team Members Experience &amp; Expertise</b>				

14.	<p>General Qualification of the:</p> <p>2 Team Leader/Partner Degree and Accountancy Professional Qualification (2 marks)</p> <p>3 Managers Degree and Accountancy Professional Qualification (3 marks)</p> <p>4 Senior Auditors Degree and Accountancy Professional Qualification (4 marks)</p> <p>5 Audit Assistants Degree (1 marks)</p>		10	
15	<p>Professional Experience in the area of specialization and the region:</p> <p>1. Team Leader – 10 years and above (3 marks)</p> <p>2. Managers – 8 years (5 marks)</p> <p>3. Senior Auditors – 5 years (5 marks)</p> <p>4. Audit Assistants – 2-year (3 marks) s</p>		16	
	<b>Sub-total</b>		<b>26</b>	
	<b>Total</b>		<b>100</b>	