



## REQUEST FOR PROPOSAL

### PROVISION OF EXTERNAL AUDIT SERVICES

Kenya National Chamber of Commerce and Industry

Deadline 9<sup>th</sup> April 2024, 2.00PM

### **1.1. Background**

Kenya National Chamber of Commerce and Industry (KNCCI).

KNCCI is the umbrella lobbying body for the business community in Kenya. Its advocacy is focused on the improvement of the business environment to enhance the attainment of inclusive economic growth and development. The chamber works to ensure more local participation in trade and investments as a means to achieve inclusive and sustainable economic development. Its membership constitutes small, microenterprise, medium and large enterprises.

### **1.2. Objectives of the Audit**

The objective of the audit will be to enable the auditors to express an opinion on whether the financial statements are prepared in all material respects, in accordance with the applicable financial reporting standards and frameworks, whether the Chamber has maintained proper accounting records, and whether the accompanying financial statements show a true and fair view of the Chamber's financial position.

### **1.3. Scope of the Audit**

1. Conduct an independent audit of KNCCI activities for the years ended 31 December 2022 and 31 December 2023 in accordance with International Auditing Standards and International Financial Reporting Standards.
2. Review and evaluate the Chamber's internal control and risk management systems and advise management and the Governing Board on the adequacy and effectiveness of the systems.
3. Provide value addition services consistent with a statutory audit of this nature for an organization.
4. Express an opinion as to the reasonableness of the financial statements in all material respects
5. Identify specific deficiencies or areas of weakness in systems and controls and bring them to the attention of the management.
6. Make recommendations to resolve or eliminate internal control weaknesses noted during the audit.
7. Prepare an audit report that includes whether the financial statements present the Institute's financial position and results of financial operations in accordance with generally accepted accounting principles.
8. Review instances of non-compliance with legal requirements and any other material matters in a management letter, accompanied by management comments or responses to audit findings and recommendations.
9. Present the audited financial statements and the Management Letter to the KNCCI. The management letter will include among other things:
  - Identified weaknesses and areas of deficiencies and recommendations in systems and controls for improvement;
  - Report on implementation status of prior year audit recommendations
  - Communicate on matters that will come during the audit that may have a significant impact on Sustainability of the Chamber
10. Report on the implementation status of prior year audit recommendations

11. Comprise an assignment team with the required experience and qualifications as outlined in the TORs.
12. Conduct the audit in accordance with the International Standards on Auditing (ISA) and International Financial Reporting Standards.

#### ***1.4. Proposal submission***

Submit both a technical and a financial proposal for audit services for the two years separating charges for each year and include taxes and disbursements as necessary.

The technical proposal should among other things include:

- Submit a valid copy of the audit firm's insurance certificate to demonstrate professional indemnity insurance cover.
- Submit a proposal detailing the understanding of the assignment, methodology, team composition, work plan, timelines, and fee structure.
- Practicing certificate of each of the partners to be engaged on the assignment.
- Detailed CV's of all the team members
- Firm experience and three references

The Audit Firm is expected to carry out the audit with professionalism, diligence, and in accordance with the agreed terms of reference, providing a comprehensive and accurate assessment of the KNCCI financial position, operations, and compliance with relevant standards and regulations.

#### ***1.5 Electronic Submission***

KNCCI has contracted SRM eprocurement as consultants to manage this RFP.

The proposal must be submitted electronically to be received on or before **9<sup>th</sup> April 2024, 1400hrs EAT** through SRM portal [www.srmhub.com](http://www.srmhub.com)

Bid opening shall be done electronically thereafter. Bidders shall be provided with a link for online bid opening meeting.

There is no bidder fee for this tender

#### ***1.6 Confidentiality***

Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the Audit firms who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the Contract

#### ***1.7 Corrupt or fraudulent practices***

KNCCI requires that the Audit firms observe the highest standards of ethics during the selection and award of the external audit contract and also during the performance of the assignment. The tenderer shall sign a declaration that he has not and will not be involved in corrupt or fraudulent practices.

**1.8 Evaluation Criteria**

Taxes: Inclusive of VAT and all applicable taxes

**a) Mandatory**

1. Valid Tax Compliance Certificate
3. Firm/Business Registration Certificate
4. The Firm’s relevant professional body Registration Certificate
5. The audit firm should have at least 2 (two) partners. One of the Partners must have at least 10 years’ auditing experience (provide copies of practicing certificates)
6. Audited financial statements for the last 2 years

**b) Technical Evaluation – 80 Points**

Experience of the firm	5 Marks
The firm must demonstrate experience in undertaking significant and similar assignments in audit for at least 5 large public or private organizations in the last 5 years (reference sites). Provide corresponding evidence of the five engagements by attaching proof of copy of contract/LPO/LSO/reference letter for the work done. Not older than year 2020.	20 marks
Qualifications and competence of the key staff;	40 marks
a. An Engagement Partner with over 10 (ten) years auditing experience.	
b. A Review Partner with over 10 (ten) years auditing experience.	
c. A Manager with over 8 (eight) years auditing experience.	
d. A Team Leader with at least 6 (six) years of experience in Auditing; and e. Experience in applying IAS and IFRS/IPSAS for all key staff.	
Provide CVs and academic qualification for the said personnel in the order provided and ensure you indicate your team composition	Marks 20
Methodology and Work plan for carrying out the services; Detail how the assignment will be undertaken within the given timeframe	

**c) Financial Evaluation – 20 Points**

- a) The Financial Proposal shall be prepared using the Standard Forms provided in

this RFP. It shall list all costs associated with the assignment.

- b) Financial proposal shall be reviewed for bidders whose technical proposals are accepted by KNCCI after scoring 70% and above.
- c) The Firm and Experts are responsible for meeting all tax liabilities arising out of the Contract unless stated otherwise.
- d) The Firm shall express the price for its Services in the Kenyan Shilling. Payment under the Contract shall be made in Kenyan shilling.