



REQUEST FOR PROPOSALS # (KELIN/RFP/01/2023)

Audit Firm to Conduct Single Audit of KELIN Located at
Karen C, Kuwinda Lane, Off Langata Road

Firm Deadline for Proposal Submission: JANUARY – 20th – 2023 TIME 5:00 PM (EAT)

BACKGROUND

Kenya Legal & Ethical Issues Network on HIV & Aids (KELIN) is seeking a qualified auditor to conduct an institutional audit of the organization's financial statements for the financial year end 31 December 2022. The auditor will also be required from time to time to carry out some specific project audits in line with specific donor requirements. KELIN had annual revenues totaling KES 330 million and annual expenses totaling KES 280 million. In addition, KELIN has a total of 23 staff members and has a total of 35 contracts and sub-agreements funded by various donors.

TIMEFRAME

The institutional audit must be completed by **March 15, 2023**. Applicants unable to complete the audit by this date will not be considered.

AUDIT OBJECTIVES

The objectives of the audit of the financial statements is to enable the auditor to express opinions on (i) whether the financial statements (including the notes thereto and supplementary statements) present fairly, in all material respects, (or give a true and fair view of) the financial position as at each accounting year-end, and its cash flows for the years then ended, in conformity with the accounting standards and KELIN policies, (ii) whether the proceeds of the grant funds were used for the intended purpose, and (iii) whether the organization's projects have complied with the covenants stated in the grant/framework agreement.

AUDITOR QUALIFICATIONS:

The auditor must satisfy the following minimum requirements:

- A legal entity in Kenya with business license granted by appropriate authority.
- A member of the relevant professional accounting body

- Have adequate relevant professional and educational qualifications, or able to provide audit staff with adequate qualifications, experience, and competence.
- Technically competent and able to conduct audit in line with the auditing standards.
- Objective and independent from the project, its staff, and activities, and from all aspects of management or financial interests of KELIN
- Possesses proven track record in financial audit of public sector projects, or audits of similar nature, type, and complexity, or donor-funded projects.

KELIN MANAGEMENT RESPONSIBILITIES:

KELIN is responsible for preparing and fairly presenting the financial statements including adequacy of disclosure, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. Management is also responsible for ensuring that the funds were used only for the purposes of the project, for compliance with financial covenants, and for ensuring that effective internal controls including over the procurement process are maintained.

The project's books of accounts provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the activities. This includes maintenance of adequate accounting records and supporting documentation for transactions, selection, and application of accounting policies, and safeguarding of project assets.

Management will also provide specific information on systems and processes for the accounting, recording and preparation of financial statements that are relevant for the audit.

Finally, management will provide the selected audit firm with appropriate space within its offices for the auditors to work. In addition, all necessary files will be made available to the auditors. Further, the audit firm will be provided with one primary point of contact for all enquiries during the audit process.

AUDITOR RESPONSIBILITIES:

The auditor is responsible for forming and expressing an opinion on the financial statements in accordance with the auditing standards. As part of the audit process, the auditor may request from the KELIN written confirmation concerning representations made in connection with the audit.

In the conduct of the audit, the auditor is expected to:

- Plan and perform the audit to reduce risk to an acceptably low level, including risks of material misstatements in the financial statements whether due to fraud or error,
- Design and perform audit procedures, and evaluate and report the results thereof including any noncompliance with laws and regulations,

- Communicate matters of governance arising from the audit of financial statements,
- Carry out tests to confirm compliance with the donor agreements, such as:
 - Grant funds have been used in accordance with the conditions of the donor agreement and KELIN policies, with due attention to economy and efficiency, and only for the purposes for which the financing was provided,
 - Goods, works, and services financed have been procured and project expenditures have been incurred in line with the grant agreements and KELIN policies,
 - Assets and inventories procured from grant funds exist and there is verifiable ownership in accordance with the donor agreements and KELIN policies,
 - All necessary supporting documents, records, and accounts have been maintained in respect of all project activities,
- Review the activities of the project’s designated account including deposits received, payments made, interest earned, exchange rates used, and reconciliation of period-end balances, and
- Common/Shared costs have been properly recorded and fairly allocated among the various KELIN grants in compliance with the cost allocation procedures

EXPECTED DELIVERABLES:

The auditor is required to deliver an audit report in the English language comprising:

A. AUDITOR’S OPINION ON THE FINANCIAL STATEMENTS

An auditor’s opinion providing reasonable assurance over the audited financial statements, including the notes thereto and supplementary statements.

B. AUDITOR’S OPINION ON COMPLIANCE WITH LEGAL AGREEMENT

An auditor’s opinion made in accordance with the relevant ISA standards.

C. AUDITED FINANCIAL STATEMENTS

Consolidated (all sources of funds) financial statements with comparative presentation:

UNDER THE ACCRUAL-BASIS OF ACCOUNTING

- Statement of Financial Position
- Statement of Financial Performance
- Statement of Cash Flows
- Notes to the Financial Statements

D. MANAGEMENT LETTER

A management letter providing the auditor’s observations and findings on accounting records, systems and internal controls that were examined during audit, including:

- Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues.

- Auditor’s assessment of the causes, and recommendations to improve or rectify the identified weaknesses and issues.
- KELIN’s responses to the weaknesses and issues including explanations of the causes, proposed action plan to address the concerns, and the timeline for completion.
- Status of weaknesses and issues identified and reported in prior periods.
- Any continuing or persistent issues and weaknesses, and follow-up actions taken.
- Any matters the auditor considers pertinent or significant as to impact implementation.

The audit shall be for each of the following periods:

LOCATION:

The audit will be conducted at KELIN office(s) located at: (Karen C, Kuwinda Lane, Off Langata Road) as well as the audit firm’s place of business.

KEY CONTRACT TERMS:

This contract will be a fixed price contract. No additional costs outside of the winning firm’s fixed price will be considered.

All deliverables provided to KELIN must be furnished for the use of the KELIN without royalty or any additional fees.

All Materials will be owned exclusively by KELIN. Contractor will not use or allow the use of the Materials for any purpose other than Contractor’s performance of the Contract without the prior written consent of KELIN.

EVALUATION CRITERIA:

All proposals will be evaluated by KELIN against the following weighted **best value** criteria:

1. Past performance (30%)
2. Proposed methodology and approach (20%)
3. Fixed price (20%)
4. Capacity of individual auditors (30%)

INSTRUCTIONS FOR SUBMISSION OF PROPOSAL:

Each proposal must contain:

1. Provide at least 2 professional references (phone and email) of past non-governmental organizations for which you have completed equivalent audits.
2. Summary of the proposed approach and confirmation that all work can be completed during the timeframe indicated in this RFP.
3. Fixed price for completing the audit

4. CV/Resume of auditor(s) who would be assigned to this project

Any proposal that does not contain these documents **will not** proceed to technical evaluation.

PROPOSED TIMELINE:

DATE: January 16, 2023 – Release of RFP

DATE: January 17, 2023 – Submission of any Enquiries directed to:

Contractual Enquiries send to: auditrfpenquiries@kelinkeny.org

No phone calls please.

DATE: January 20, 2023 - Completed proposals must be delivered electronically to:

auditrfp@kelinkeny.org.

DATE: January 27, 2023: – Final decision announced, and Offerors notified

DATE: February 01, 2023: – Contract executed, and Services begin.

Please note it is our best intent to comply with the above timeline, but unavoidable delays may occur.

ADDITIONAL INFORMATION

All proposals and communications must be identified by the unique RFP# reflected on the first page of this document. Failure to comply with this requirement may result in non-consideration of your proposal.

Any proposal not addressing each of the foregoing items could be considered non-responsive.

Late proposals will be rejected without being considered.

This RFP is not an offer to enter into agreement with any party, but rather a request to receive proposals from persons interested in providing the services outlined above. Such proposals shall be considered and treated by KELIN as offers to enter into an agreement. KELIN reserves the right to reject all proposals, in whole or in part, and/or enter negotiations with any party.

KELIN shall not be obligated for the payment of any sums whatsoever to any recipient of this RFP until and unless a written contract between the parties is executed.

KELIN is an Equal Employment Opportunity employer and does not discriminate against any employee, applicant, consultant, or firm because of age, disability, race, religion, color, national origin, or sex. KELIN welcomes proposals from all qualified and responsible sources, including small businesses, minority-owned firms, and women-owned businesses.