

**WORLD CUSTOMS ORGANIZATION EAST AND SOUTHERN AFRICA
REGIONAL OFFICE FOR CAPACITY BUILDING
(WCO ESA ROCB)**



REQUEST FOR PROPOSALS FOR EXTERNAL AUDIT SERVICES

Tender Ref: ROCB/AUG/1/2018

Closing Date: 19th October 2018

BACKGROUND

1. The World Customs Organization East and Southern Africa Regional Office for Capacity Building (WCO ESA ROCB) consists of the 24 following member countries: Angola, Botswana, Burundi, Comoros, Djibouti, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Africa, South Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
2. The mission of WCO ESA ROCB is to provide leadership in the WCO East and Southern Africa Region in the areas of sustainable customs capacity building and change management Philosophy and Core Values.
3. The financial Statements of the WCO ESA ROCB are prepared in accordance with the International Financial Reporting Standards (IFRS). The accounts are to be audited by External Audit Firms registered with Institute of Certified Public Accountants of Kenya (ICPAK).
4. Operations of the Organization are managed by the WCO ESA Governing Council.
5. WCO ESA ROCB seeks the service of an audit firm to provide external audit services for the financial year 2018/2019.

OBJECTIVE OF THE EXTERNAL AUDIT

6. The objective of the external audit is to express a professional opinion on the Financial Statements of the WCO ESA ROCB. These Financial Statements among others consists of: Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Fund Balance and Statement of Cashflow for the year under review. They are also required to express a professional opinion on the soundness of the internal systems of control, compliance with WCO ESA ROCB rules, compliance with Regular Budget and Extra Budgetary resources, and compliance with applicable donor rules and regulations.

AUDITING STANDARDS

7. The external audit is carried out in accordance with International Standards on Auditing (ISA) and includes such tests and auditing procedures as the auditor considers necessary for the assignment.

SCOPE OF WORK

8. The auditor shall be required to:
 - I. Carry out tests of transactions as are necessary, in order to obtain an understanding of the accounting system, to assess its adequacy as a basis for the preparation of the financial statements and to establish whether adequate records have been maintained

- as required by the WCO ESA ROCB Financial Rules; Financial Manuals and applicable rules of the donors;
- II. Conduct an in-depth and exhaustive review of the internal control system to have sufficient knowledge of the procedures underpinning the systems, as contained in WCO ESA ROCB Financial Rules;
 - III. Confirm that although responsibility for preventing irregularity and fraud, remains with the Director, the audit has been planned so as to have a reasonable expectation of detecting material misstatements in the Financial Statements;
 - IV. Confirm that funds have been used in accordance with the applicable rules of the concerned donor, Governing Council decisions with due attention to the economy and efficiency, and that they have only been used for the purposes for which they were intended for and in accordance with the conditions under which the funding was provided;
 - V. Confirm that Goods and services financed have been procured in accordance with sound procurement procedures spelled out in the WCO ESA ROCB Procurement Manual;
 - VI. Confirm that all necessary supporting documents, records and accounts have been kept in respect of all activities; and
 - VII. Confirm that the Financial Statements have been prepared in accordance with International Accounting Standards and give a true and fair view of the financial position of the WCO ESA ROCB as at the end of the financial year.
9. The above-defined scope does not in any way restrict the audit procedure or the techniques that the auditor may wish to use in forming an opinion on the Financial Statements being audited.

FINANCIAL STATEMENTS

- i. Statement of Comprehensive Income.
- ii. Statement of Financial Position.
- iii. Statement of Changes in Fund Balance and
- iv. Statement of Cashflow
- v. The Accounting Policies Adopted and Explanatory Notes.

AUDIT REPORT.

- 10. The auditor is required to present two types of reports: An opinion on the Financial Statements prepared by the WCO ESA ROCB and a management letter.
- 11. **The opinion on the Financial Statements** shall contain:

- a) A professional opinion on the financial statements and supporting schedules as regard to their true and fair view;
- b) Accounting Standards and WCO ESA ROCB Financial Rules and Regulations that have been applied indicating the effect of any deviations from them;
- c) The International Audit Standards that were applied; and
- d) Whether the Cash Flow Statement and supporting schedules present fairly the cash receipts and disbursements of the funds and if they were utilised for the purpose for which they were intended for.

12. The Management Letter, among others, shall contain:

- a) Comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- b) Specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;
- c) Matters that have come to their attention during the audit which have a significant impact on the implementation and sustainability of the funding;
- d) Areas of risk that need to be flagged out to management; and
- e) Any other matter that the auditor consider pertinent to be brought to the attention of the Director.

AUDITORS QUALIFICATIONS

- a) The auditor must be completely impartial and independent from all aspects of management or financial interests of the organisation;
- b) The auditor shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as advisers or mentors for, or have any financial or business relationships with the organisation; and
- c) The auditor shall be registered with ICPAK and must demonstrate that he employs adequate staff with appropriate professional qualifications and suitable experience in accounting and auditing the accounts of entities comparable in size and complexity to the entity being audited;
- d) Curriculum Vitae (CVs) must be provided to the client by the Partner of the firm of auditors who shall be responsible for signing the opinion, together with the CVs of key personnel proposed as part of the audit team. The CVs shall include details of audits carried out by the concerned staff, including ongoing assignments indicating capability and capacity to undertake the audit.
- e) Able to meet deadline in producing the audited financial statements as per audit engagement letter.
- f) Experienced in auditing membership organizations.

LETTER OF ENGAGEMENT

13. A formal letter of engagement specifying the scope of audit shall be prepared and signed between the WCO ESA ROCB and the auditor prior to the beginning of the assignment. The letter of engagement shall also clearly spell out the responsibilities of the two parties.

PAYMENT PERIOD

14. The period for payment shall be 30days from completion of audit.

PRICING

15. All prices must be in Kenya Shillings.
16. There will be no price variation after signing of contract.
17. Prices must be inclusive of all taxes within Kenya.

VALIDITY OF THE BID

18. The bid shall be valid for a period of six months after the closing of this tender.

AMENDMENTS OF THE PROPOSAL DOCUMENTS

19. At any time prior to the deadline for submission of Bids, WCO ESA ROCB, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the proposal Document by issuing an addendum.
20. All the addenda shall be posted on WCO ESA ROCB website www.wcoesarocb.org. All Proposers wishing to be notified of any addenda should provide to WCO ESA ROCB the Proposer's name and email address.
21. In order to afford prospective Bidders reasonable time in which to take the amendments into account in preparing their offers, WCO ESA ROCB may, at its discretion, extend the deadline for the submission of Proposals.

EVALUATION AND COMPARISON OF PROPOSALS

22. To assist in the examination, evaluation and comparison of Bids, WCO ESA ROCB may ask the Bidder for clarification and the response shall be in writing and no change in price or substance of the proposal shall be sought, offered or permitted.
23. WCO ESA ROCB will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

24. Arithmetical errors will be rectified on the following basis: if there is a discrepancy between the unit price and total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Bidder does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.
25. Prior to the detailed evaluation, the Procurement Committee will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantial responsive Proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. WCO ESA ROCB's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.
26. A Proposal determined as not substantially responsive will be rejected by the WCO ESA ROCB and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

27. Criteria for Overall Technical Evaluation.

I.	Mandatory Requirements	Marks	Score
a	Copy of Certificate of Incorporation/Registration	2	
b	Copy of valid Tax Compliance certificate	2	
c	Copy of PIN Certificate	2	
	Sub total	6	
	<i>Only those that meet the mandatory requirements in Section I will move to the next stage of the evaluation</i>		
II.	Expertise	Marks	Score
a.	Understanding of the audit Requirement	14	
b.	Specific experience of the firm related to the assignment	20	
c.	Adequacy of the proposed work plan and methodology in responding to the TOR	30	
d.	Qualification of the Proposed audit team	30	
	i) Engagement Partner		
	ii) Audit Manager		
	iii) Audit Assistant		
	Sub Total	94	
III.	Total (I +II)	100	

The bids will be evaluated as follows:

- The envelopes containing the sealed technical and financial offers will be opened.
- The technical proposal will be evaluated.
- If the technical proposal is evaluated as 70% or above the envelope marked “FINANCIAL PROPOSAL” will be opened.
- The bidder that offers what is adjudged to be the best technical and financial offer will be offered the contract.
- If the Bidder that offered what was adjudged to be the best technical and financial offer declines to accept the offer then the Bidder that is adjudged to have offered the second best technical and financial offer will be offered the contract.

BID SUBMISSION

28. Bidders are advised to include in their bids the following Standard tender Forms:

- a) Bid submission Sheet
- b) Bidder’s references;
- c) Comments and suggestion on the Scope of Work;
- d) Description of the methodology for performing the assignment;
- e) Team composition and Tasks assignment; and
- f) Proposed fees.

FORMAT AND SEALING OF BIDS

29. The bidder shall submit the proposal in one envelope (MUST include a **soft copy preferably in a USB Stick**) bearing the following address.

**THE DIRECTOR
WCO ESA ROCB
P.O. Box 50581 – 00200
NAIROBI.**

DEADLINE FOR SUBMISSION OF PROPOSALS

30. The deadline for the submission of proposals is **19th October 2018** at 15.00 Hours. WCO ESA ROCB offices are in Corporate Business Centre (CBC) Elgon Road, Upper Hill, 9th floor, Tower One.

LATE TENDERS

31. Any Tender received by ROCB after the deadline for submission of Bids shall be rejected. There shall be no exception to this requirement.