

## **Lot A - PROPOSAL FOR PROVISION OF EXTERNAL AUDIT SERVICES**

Copperbelt Development Limited (CDFL) is a Company limited by guarantee incorporated in 2004. It is a Not-for-Profit Organization registered in Zambia whose main objective is to improve lives on the Copperbelt Province and Shibuyunji district of Central Province through the provision of grant projects in Education, Health, Water & Sanitation, Empowerment and Road Access. Now therefore, the Foundation wishes to recruit the services of External Auditors for period of three years.

### **SUMMARY OF THE ASSIGNMENT**

To conduct statutory audit in accordance with International Financial Reporting Standards (IFRS) and/or International Public Sector Accounting Standards (IPSAS), and comply with the Companies Act of Zambia. The audit will be performed so as to obtain a reasonable assurance that the accounts are free from material misstatement. The audit should include examination, on a test basis, of evidence relevant to the amounts and disclosure in the accounts. It should include an assessment of significant estimates and judgments made by the directors in the preparation of the accounts and whether the accounting policies are; appropriate in the company's circumstances, consistently applied and adequately disclosed.

### **OBJECTIVES AND SCOPE OF THE AUDIT WORK**

The objective of the audit is for the auditors to conduct annual audit reviews as follows:

1. The auditors shall express an independent professional opinion as to whether the financial statements present fairly, in all material respects, the financial position of CDFL in accordance with the International Financial Reporting Standards for Small and Medium Entities (IFRS for SMEs) and/or Public Sector Accounting Standards (IPSAS), and the requirements of Companies Act of the Republic of Zambia.
2. The audit shall be carried out in accordance with the International Standards on Auditing (ISAs) as issued by the International Federation of Accountants (IFAC). The auditors in their duties shall comply with the duties imposed upon them by the ZICA Act and the Companies Act of the Republic of Zambia.
3. Management letter-The Auditors should submit a management letter after the completion of the audit in which auditors will:
  - a) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
  - b) Examine on test basis that appropriateness of supporting documents, records and books of accounts relating to all administration and project activities;

- c) Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
  - d) Include management responses to audit findings and recommendations;
  - e) Any matters that come to the auditor's attention during the audit that might have a significant impact to the implementation of the programme.
  - f) Examine, assess and report on compliance with the terms and conditions of the agreement between funding partners and CDFL and applicable laws and regulations within accounting and taxes;
  - g) The auditor shall report the identified amount in case there are any missing supporting documents;
  - h) The Auditor shall attend the necessary meetings of the Foundation and if requested, attend a CDFL Annual General meeting.
4. If CDFL channel funds to other Organisations, the auditor shall examine if CDFL has followed laid down funding procedures and requirements and that CDFL has adequate resources to fund other Organisations.
  5. Conduct entry and exit meeting with the Board of CDFL
  6. The audit reports shall:
    - a) Contain details of the method and scope of audit and assurance that the audit was performed in accordance with International Standards of Auditing and by a qualified auditor.
    - b) Signed by the auditor responsible stating the title.
    - c) Written in English
    - d) Issued in soft copy for circulation to Directors and 10 hard copies will be produced and delivered to CDFL offices at 32A Pamo Avenue, Parklands, Kitwe for Director's files.

<b>RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS</b>
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The responsibility for preparation of the annual financial statements lies with CDFL Directors and Management.

1. Directors will prepare the annual financial statements in accordance with IFRS for SMEs and/or IPSAS.
2. Management is responsible for implementation of accounting, administrative and financial procedures documented in the CDFL manuals.
3. CDFL financial year end runs from 1<sup>st</sup> April to 31<sup>st</sup> March.

Rotation of auditors will be done at least after 3 years at the discretion of CDFL Board of Directors. CDFL reserves the right to terminate the engagement should it deems necessary even before 3 years.

## **SUBMISSION PROCESS**

Interested firms should submit the following:

- a) An expression of interest to provide the above mentioned consultancy services.
- b) An organization profile including previous related experiences
- c) Proposed detailed methodology including your approach to risk and fraud detection.
- d) A work plan and budget for the activities and final deadline.

## **SUBMISSION REQUIREMENTS**

1. Bids shall include all relevant information about the bidder, which will assist CDFL to assess the service provider's competence.
2. All of the following documents (Part 1 to IV below) must be submitted as part of the response to this bid request. Failure to do so will invalidate a response.

### **Part I Valid Tax Clearance Certificate**

### **Part II Company profile**

The bidder(s) must include a company profile detailing:

- a. Shareholders/Partners/Directors details, including name, position and Nationality;
- b. The extent of Zambian ownership and equity level;
- c. **DOMICILITY**, Copperbelt Based firms are preferred – (Proof of Address for bidding office)
- d. The contact details of one contact person must be provided and that person should be the primary liaison with CDFL in all correspondence;
- e. A list of similar non-profit organizations served by your firm in the last 2 years
- f. Legal status of the Firm;
- g. ZICA registration
- h. Brief curriculum vitae of proposed Team Leader of the External Auditors to be assigned to the contract (Partner/Manager/Supervisor, etc.);
- i. Audit firm staff stability history - what assurances can you provide regarding the assignment of your permanent personnel to the engagement.
- j. Organizational Chart (to be enclosed)

- k. Any other information which the bidder may deem necessary and relevant for the bid.

**Part III Independence**

Detail statement on the independence of the bidder and the proposed External Audit Team.

**Part IV Financial Proposal Including VAT detailing**

A cost estimate for the contract period of three years, which must include

- a. Related assumptions and detailed make up.
- b. Fees must be quoted at an all-inclusive rate for the different levels of proposed resources to be utilized, as listed below:

Staffing Category		Rate Per Hour	Yearly Rate (All inclusive)	3 Year Period Rate (All inclusive)
<b>Partners</b>	Audit rate			
	Perdiem rate			
	<b>Subtotal</b>			
<b>Managers /Supervisors</b>	Audit rate			
	Perdiem rate			
	<b>Subtotal</b>			
<b>Auditors</b>	Audit rate			
	Perdiem rate			
	<b>Subtotal</b>			
<b>Grand Total (Vat incl)</b>				

- c. All administration cost such as accommodation, travel, subsistence, etc. for the duration of the audit should be included in the rates.
- d. The total quotation must be inclusive of VAT.

**NOTE:** No variation, to the accepted quote, will be allowed unless the service provider has obtained prior written approval from CDFL.

**DECLARATION** I/We hereby certify that:

**Bidder Declaration Section**

The enclosed proposal is submitted in response to the above-referenced RFP including any addenda. Through submission of this proposal we agree to all of the terms and conditions of this RFP and agree that any inconsistencies in our proposal will not be considered. We have carefully read and examined the RFP, we have conducted such other investigations as were prudent and reasonable in preparing the proposal. We certify that none of the Auditor or the firm who are going to be appointed with this work, have any interest in the business of CDFL and have no relative working in the Foundation. Further they have not been associated with audit of accounts of CDFL and involved in financial dealings of CDFL. I/We understand and accept that CDFL has a right to reject our application without assigning any reason therefore. We agree to be bound by the statements and representations made in our proposal.

Signature of Authorized Representative:	Legal Name of Bidder (and Doing Business As Name, if applicable):
Printed Name of Authorized Representative:	Address of Bidder:
Title:	
Date:	
Authorized Representative email address (if available):	Authorized Representative phone, fax (if available):