

## **Lot B - Proposal for Provision of Internal Audit Services**

Copperbelt Development CDFL Limited (CDFL) is a Company limited by guarantee incorporated in 2004. Its main objective is to improve lives on the Copperbelt Province and Shibuyunji district of Lusaka Province.

### **Scope of work**

CDFL invites tenders from reputable auditing firms for the “**Provision of Internal Audit Services**” for a three year period 2020/21 up to 2022/23 financial years.

- a) The successful bidder will be required to perform, inter alia, the following types of internal audits:
  - ◇ Risk based audits (this includes, but not limited to, audits on the Financial, Human Resource and Procurement processes)
  - ◇ Compliance audits
  - ◇ Audits on predetermined objectives (performance information)
  - ◇ Ad-hoc project and consulting services as requested by management
- b) The scope of the internal audit work entails testing and evaluating the adequacy and effectiveness of the organization’s systems of internal control and to make recommendations where applicable. The controls subject to evaluation should encompass the following, but is not limited to:
  - 1) Review the effectiveness and efficiency of the risk management process
  - 2) Review and update where necessary the current and existing CDFL risk management strategy
  - 3) Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance
  - 4) Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information
  - 5) Review the systems established by management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether other relevant legislation that governs the entity are being adhered to.
  - 6) Reviewing operations or projects to ascertain whether the results are consistent with established objectives or goals and whether the operations or projects are being carried out as planned.
  - 7) Develop a rolling three-year strategic and annual internal audit plan based on the results of the risk review and the execution of audits in accordance with these plans.
  - 8) .

- 9) Submit Bi-annual reports to the Board for the duration of the contract. The successful bidder will be required to report on progress of the work against the approved Annual Internal Audit Plan to the Board as will be agreed with Management
  - 10) Develop / update the Internal Audit Charter that contains the purpose, authority, and responsibility of the internal audit activity. The Internal Audit Charter must be consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards.
  - 11) Where missing, advise and develop systems and/or procedures to support CDFL processes.
  - 12) Perform ad hoc requirements, as requested by Board or management
- c) Execution of audit assignments will be as follows:
- 1) Assignments are to be performed in accordance with the International Standards for the professional Practice of Internal Auditing
  - 2) The execution of each assignment shall be in accordance with the Annual Internal Audit Plan.
  - 3) In carrying out the work, the successful bidder must ensure its staff maintains their objectivity by remaining independent of the activities they audit.
- d) Location of services

The required service of internal audit will be rendered at CDFL's offices situated at 32A Pamo Avenue, Parklands, Kitwe and at various project sites in CDFL's operational areas (Copperbelt Province & Shibuyunji District).

<b>Technical Requirements</b>
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In submitting the Proposal for **Internal Audit Service** provision, the bidding firm shall pay particular attention to the following:

- a) Explanation of the approach to performing an internal audit, including the audit methodology, nature, timing and extent of audit procedures to be performed;
- b) Demonstration of experience and expertise of internal auditing in the NGO sector. Providing an activity plan (project plan) of actions to achieve the objectives of the internal audit function, specifying budgeted hours, timelines and sequence for its audit procedure and level of staff to be assigned.
- c) Incorporating CV's of the proposed professional staff of the core management team proposed for the engagement and the authorized representative submitting the proposal. Key information should include the position of the individual in the company, the role that the individual will have in the engagement, number of years' experience, all tertiary and professional qualifications, professional memberships, experience, and degree of responsibility held in various assignments during the last three (3) years. CVs must be maximum one (1) page per staff member.
- d) Proof of experience in performing internal audit services. List current and past NGO sector internal audit clients along with the name of the organization, contact person, designation, contact number, nature of the internal audit service (outsourced / co-sourced) and length of the appointment for at least three (3) public sector organizations where you have rendered internal audits services in the last three (3) years.

- e) Proposals must remain valid for 90 days from the submission date. CDFL will make its best effort to complete negotiations within this period. If the Proposal validity period of 90 days is extended, bidders have the right to withdraw their Proposals.

#### Functionality Evaluation Criteria

Proposals will be evaluated as indicated in the table below. Bidders are required to score a minimum of 55% points on functionality to qualify to be evaluated in the next level. Bidders who do not score the minimum of 55% points on functionality will be disqualified and not be evaluated on price.

s/n	Description	Number of Points	Price
1	<b>Experience, Skills &amp; Ability of Service Provider</b> <ul style="list-style-type: none"> <li>◇ Past experience in similar work of this nature</li> <li>◇ Team member experience (accompanied by brief CV)</li> <li>◇ Bidders track record</li> <li>◇ Ability of the bidder to fulfill CDFL requirements</li> </ul>	20	30
2	<b>Technical Approach &amp; Execution Plan</b> <ul style="list-style-type: none"> <li>◇ Proposal must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR</li> </ul>	15	
3	<b>Internal Capacity</b> <ul style="list-style-type: none"> <li>◇ Proposals should clearly indicate whether or not bid participants have the <i>internal capacity</i> to meet the requirements of the TOR</li> </ul>	20	
4	<b>Time Management</b> <ul style="list-style-type: none"> <li>◇ The proposal should contain a work plan, showing tasks, timelines</li> <li>◇ Did the bidder give, submit clear timelines for carrying out the assignment?</li> </ul>	10	

	<ul style="list-style-type: none"> <li>◇ Turn around management. Does the bidder have ability to deliver on time?</li> </ul>		
5	<b>References</b> <ul style="list-style-type: none"> <li>◇ Did the bidder submit at least three relevant and traceable clients that were serviced in the past 24 months?</li> </ul>	5	
6	Non-compliant to 'Other Evaluation Criteria'	0	
<b>Total Maximum Points</b>		<b>70</b>	<b>30</b>

- ◇ Proposals should mark clearly the relevant **skills, experience** and **capacity** of the participant, in respect of this particular TOR
- ◇ Proposals must contain the details of the **proposed approach** to be adopted in order to deliver the service in accordance with TOR
- ◇ Proposals should clearly indicate whether or not bid participants have the **internal capacity** to meet the requirements of the TOR

#### **General Terms and Conditions:**

1. Selection of firms will be done only after detailed scrutiny of the credentials of the firm, their competencies and number of qualified personnel to be engaged for the Audit work is ascertained.
2. The firms must be registered and paid up members of ZICA and should quote their registration details.
3. Firm selected by CDFL shall have to give an undertaking to follow all ethical matters and the information provided by CDFL shall be kept "strictly confidential."
4. All assignments shall be carried out with outmost due diligence, maintaining quality of work done and in least possible time.
5. The Audit Firm will have to start the Audit on agreed dates and time table.
6. The audit of CDFL's records shall be completed in a time bound manner, which will not exceed more than 30 days.
7. The Auditing Firm will consist of sufficient number of experienced and qualified professionals.
8. In case of non-fulfillment of any instructions issued by CDFL, CDFL will be entitled to cancel the audit work without any obligations.
9. The successful tenderer shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
10. The above terms and conditions can be modified at any time by CDFL at its sole discretion.

#### **Submission of Audit Report**

On completion of Audit assignment, the Report shall be issued in 8 Copies along with a copy on CD/flash to CDFL. Final authority for acceptance of the Audit Report will rest with CDFL BOARD. The Audit

Report will also be supported with the certificate from the Audit Firm that they have thoroughly performed their assignment as per CDFL terms of reference and their findings are based on the same.

### **Regulation of Audit fees**

- ◇ The payment of Audit Fees shall be made only after completion of Audit Work and issuance of Audit Report.
- ◇ Completion of Audit will be inclusive of conduct of audit, submission and discussion of report with CDFL.
- ◇ Bill for Audit Fees will be submitted to the Foundation Manager at Copperbelt Development Foundation Limited along with a certificate indicating that audit has been conducted as per guidelines framed by CDFL and the work has been completed as per the agreed terms and conditions.

### **Output**

Internal Audit Report to include a statement of audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of actions, and any other material matters.

### **Submission Requirements**

1. Bids shall include all relevant information about the bidder, which will assist the 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. Address of bidding office domiciled on the Copperbelt Province; (*Attach utility bill, postal address, etc as proof*)
- 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. List of Assignments handled in last 2 years;
- f. Legal status of the Firm;
- g. Brief curriculum vitae of proposed team leader of the Internal Auditors to be assigned to the contract (Partner/Manager/Supervisor, etc.);
- h. Organizational Chart (to be enclosed)
- i. 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 Internal 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:

<b>FINANCIAL PROPOSAL</b>					
<b>Staffing Category</b>		<b>Rate/ Hour</b>	<b>Bi Annual Rate (All inclusive)</b>	<b>Yearly Rate (All inclusive)</b>	<b>3 Year Period Rate (All inclusive)</b>
<b>Partners</b>	Audit rate				
	Lodging, Travel, Subsistence				
	<b>Subtotal</b>				
<b>Managers /Supervisors</b>	Audit rate				
	Lodging, Travel, Subsistence				
	<b>Subtotal</b>				
<b>Auditors</b>	Audit rate				
	Lodging, Travel, Subsistence				
	<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:

1. The information provided above is to the best of my/our knowledge and belief, true and correct in all particulars.
2. I/We shall furnish all information as required by CDFL in connection with this assignment.
3. All information provided by CDFL in the course of the assignment shall be kept strictly confidential.
4. This is to 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 Corporation. Further they have not been associated with audit of accounts of CDFL and involved in financial dealings of CDFL
5. I/We understand and accept that CDFL has a right to reject our application without assigning any reason therefore.

**Name of the Authorised Signatory:**

**Designation:**

**Name of the Firm:**

**Signature:**

**Place:**

**Date:**