



REQUEST FOR PROPOSALS FOR AN INDEPENDENT EXTERNAL AUDITOR

CLOSES 30th October 2019

Background

Lwala Community Alliance (Lwala) is a community-led innovator based in Migori County and proving that when communities lead, change is drastic and lasting. Founded by Kenyans, Lwala leverages a bottom up, multidimensional approach in an all-out effort to drastically reduce maternal and child mortality. Through our work, we are tackling the key drivers of deaths – gender inequity, barriers to education, poverty, unplanned pregnancies, unskilled deliveries, and delayed treatment of childhood illnesses. Our community-led health model is presently scaling to reach 1,000,000 people in Migori County. The organization is registered as an NGO in Kenya and operates in compliance with the rules and regulations of the Kenya NGOs Co-ordination Board. In addition, there is a US office registered as a 501(c)3 that supports fundraising.

We have continued to have our books audited with unqualified opinions for the last eight years both in Kenya and, in a separate consolidated audit, in the US. Through this RFP, Lwala is seeking the services of qualified audit firms to carry out her annual audits. We have a finance team of five qualified accountants led by the Finance Director with oversight from the US Board and Finance Committee, the Kenya Board and the Local Village Development Committee.

Purpose

In order to strengthen her internal financial systems, Lwala is inviting reputable and suitable audit teams and/or audit firms to submit a proposal for conducting an independent external statutory audit of its financial statements starting January 2020, to cover the 2019 financial year, for our Kenya-based NGO. The financial year runs from January to December. The services of the successful auditor are anticipated to be retained for at least 3 years based on satisfactory performance in year one of the audit. The results of this audit will be consolidated with a separate audit of our US 501 (c) (3) entity. However, the US audit is not directly a part of this RFP.

Objectives

The objective of the assignment is to provide services covering an external statutory financial audit of Lwala. Specifically, the assignment will be aimed at:

1. Ascertaining the true and fair view of the organization's financial position;
2. Ascertaining that Lwala's internal controls, processes, guidelines and policies are adequate, effective and in compliance with Kenya governmental requirements, industry standards (IFRS) and organization policies.
3. To prepare work to support the level of a consolidated audit, which will be evaluated using GAPP criteria.

Scope of Services

1. Examine the accounting records as a basis for the preparation of the financial statements.
2. Review Lwala's system of internal controls to ensure its adequacy in safeguarding the organization resources.
3. Determine whether reliance can be placed on the system of internal controls in ensuring the accuracy and completeness of accounting records.

4. Assess the accounting principles applied in preparation of financial statements to determine whether they are in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations.
5. Examine the overall financial statement presentation and express an opinion therein.
6. Audit and express an opinion on whether the financial statements of the organization as a whole present fairly, in all material respects, the financial position of Lwala and the results of its operations for the year then ended.
7. Generate improvement ideas on noted areas of weaknesses.
8. Advice on areas of inadequacy in Lwala's financial policies and suggest improvement.
9. Establish interactions with the internal audit function.
10. Participate and report to Lwala's Board of Directors.

A key note is that the final audited statements are required to be submitted to the NGO's Coordination Board by 30th March of each year. As such, the audit exercise is expected to run from mid-January and concluded by mid-March of every year.

Key Deliverables

1. Audit entry meeting where the Audit process will be discussed.
2. Inception meeting report detailing the audit work plan and timelines.
3. Final Audited Financial Statement and accompanying Management Letter detailing the recommendations that will help improve on the financial management of the organization.
4. Financial Statements in the prescribed format for consolidation to the US-entity audited statements
5. Report on deliberations associated with the Management Letter and Lwala response, discussed at the exit meeting.

Supervision and Quality Assurance

The Auditor shall report directly to Board of Directors. The Auditor shall work closely with the Managing Director, Finance Director and the Finance Committee of the Lwala Board.

Period of the Assignment

This will be negotiated with the Lwala board and management during the entry meeting. The Auditor shall state their number of days for carrying out the assignment.

Required Qualifications and Experience

The successful audit firm shall be expected to possess the following;

1. Demonstrated experience in auditing USAID-funded projects a pre-requisite (presence in USAID roll of auditors shall be an advantage)
2. The audit firm must be completely impartial and independent from all aspects of management or financial interests in Lwala.

3. The members or employees of the audit firm shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of Lwala.
4. The auditor shall disclose any relationship that might possibly compromise his/her independence.
5. The auditor must be experienced in applying ISA and IFRS, and preferably familiarity with GAPP.
6. The audit firm shall have a full-time partner, adequate employees and have been in existence for not less than five (5) years. The Key Team will comprise of at least;
 - Engagement Partner with over 8 years auditing experience with sound knowledge of donor-financed projects.
 - Past experience in auditing USAID and restricted funded projects will be preferred.

Assurance of Confidentiality

Once contracted, all deliberations relating to the audit assignment, including all information collected from various meetings/documents, shall be kept confidential and shall not be divulged to any third party either verbally or in writing or in any other form without express authority of Lwala or a mandated court of law.

Logistics and Procedures

Lwala will be responsible for any logistics and procedures related to this assignment such as office space, printing and other communication costs. Lwala will also provide all the necessary support including contacts to facilitate the successful completion of the exercise (e.g., organizational policies, records etc.) and process of scheduling/convening any relevant meetings with staff or stakeholders.

Submission Requirements

Applicants should submit their expressions of interest for consideration and attach the following documents

- Capability statement and CVs of the Key team members
- Technical and Financial proposal
- At least three (3) past performance references from organizations of similar nature and industry as Lwala (including email and phone contacts of referees).

Contacts for Submission and Due Date

Interested firms can send their applications in soft copy to lwala-finance@lwalacommunityalliance.org by or before the 30th October 2019.

Questions or clarifications required as you prepare your proposal can be forwarded to the above email.

Evaluation of Proposals

Lwala will evaluate proposals based on assessment of qualifications, industry knowledge, reputation, service record, and fees.

Proposals will be reviewed in-house as they are received and by our Finance Committee. Two or three firms may be contacted to present their proposal to senior management and/or the Finance Committee. We expect to make a final decision by December 2019.

Only successful candidates that meet the requirements above shall be contacted.