



Kiambu Golf Club

## **INVITATION TO TENDER FOR EXTERNAL AUDIT SERVICES - EA01/02/2021 CLOSING ON 25<sup>TH</sup> FEBRUARY 2021, AT 12.00 NOON**

### **INTRODUCTION**

**Kiambu Golf Club (KSC)** is a private members club and offer golfing and other sports facilities to its members. The club was established during the colonial time in 1916. The club has a full-fledged secretariat that is supported by a management team that is elected every year. The club has a 9-hole golf course. Its main revenue activities include – Golf Competition, Bar & Restaurant services, Subscriptions Fees and membership fees.

### **OBJECTIVES OF THE INTERNAL AUDIT FUNCTION**

#### **SCOPE OF WORK**

##### **1. SCOPE OF AUDIT SERVICES**

###### **A. Services**

The Kiambu Golf Club office invites qualified auditing firms to submit proposals to perform annual external audit services. The external audit services required will include but not limited to;

- ✓ The planning, management and execution of the annual audit for Kiambu Golf Club.
- ✓ The examination of financial records, systems and controls of the Kiambu Golf Club in accordance with international auditing standards
- ✓ Presentation of the Audit report together with report to management and Letter of Representation to the Board. The report to the management is expected to cover any weaknesses in internal controls noted during the audit or other area of concern.
- ✓ The management letter should include weaknesses in the internal controls and also the level of risk whether Low, Medium and High.
- ✓ The Auditor will be required to attend a meeting of the local Board to present and explain as necessary the audit reports and audit opinion.
- ✓ Provision of advice to Kiambu Golf Club Management and Board on new or changed reporting requirements and auditing standards, advice on technical accounting and tax matters.
- ✓ Respond to and discuss with the Kiambu Golf Club's staff accounting, auditing, tax and other issues arising throughout the year. Inquiries, if any, are infrequent, usually brief and specific in nature, and may require a written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that Kiambu Club

staff would be advised of any additional charges prior to services being provided.

## **2. TERM AND GENERAL CONDITIONS OF ENGAGEMENT**

### **A. Term of Engagement**

It is the intention of the Kiambu Golf Club to enter into a three-year agreement with the successful firm to provide external audit services beginning with the current period 2021/2022 fiscal year 2022/2023 and fiscal year 2023/2024 annual audits. Subject to satisfactory performance of the services by the successful Firm, the term may be extended, if mutually agreeable, for an additional two (2) year period.

### **B. Acceptance of Proposal**

The reserves the right to reject any and all proposals for any reason. The lowest of any proposal may not necessarily be accepted. The acceptance of any proposal is subject to funds being legally available to complete the transaction and/or approval by the management.

There is no expressed or implied obligation of the Kiambu to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

### **C. EXPERIENCE AND QUALIFICATIONS**

The firm must meet the following minimum requirements to be considered for evaluation pursuant to this request for proposal:

- ✓ Must be registered and recognized by the Kenya Law and be compliant with statutory requirement
- ✓ Provide a letter of good standing from ICPAK
- ✓ Must have at least two partners and /or full time associates who are Certified Public
- ✓ Accountants and whose membership with ICPAK is up to date
- ✓ Provide CVs and copies of certificates of key personnel that will be involved in the audit
- ✓ Must have been in practice for at least ten (10) years.
- ✓ Provide list of at least 10 companies audited in the last 3 years and proof of the same with their contacts.
- ✓ Proposal on how fees charged will be calculated, with indication of involvement/time allocated in providing the said services.
- ✓ Provide copies of relevant certificates i.e. Registration/Practicing certificate of the firm, PIN, VAT and compliance certificate among others

### **D. Qualified Statement**

The Auditor shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the appropriate Hon Treasurer. In addition, the Auditor shall as far as possible, allow a reasonable period of time for Kiambu Accountant to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

### **E. Annual Audit Schedule**

Before 31<sup>st</sup> August of each year, the Auditor shall correspond with Kiambu Accountant and Hon Treasurer to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit.

- ✓ The schedule of activities shall be finalized by 30<sup>th</sup> September of each year and shall set out the key dates by which necessary information and assistance is to be provided by both parties.

The basic time lines will be as follows:

- ✓ Audit Activity Time Table- August
- ✓ Pre- audit meeting with staff End of September
- ✓ Audit plan and assistance on schedules October
- ✓ Audit Report and presentation to the Board October
- ✓ Audit finding report and management letters October
- ✓ The Kiambu Accountant will be responsible for the year-end close and preparation of annual accounts. The auditor will assist the Accountant in preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis.

### **3. PROPOSAL REQUIREMENTS**

- ✓ A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided. The letter must include the name of the person who will be authorized to make representations for the firm, their title and telephone number.
- ✓ The person signing the covering letter must be authorized to bind the firm.
- ✓ Firms must respond to the items listed below in the order they are presented. The proposal should include a table of contents identifying the topics by page number. Proposals should include the following mandatory criteria:

#### **3.1 Company Profile and Contact**

- ✓ A brief profile of your firm (1 to 2 pages) indicating the scope of its practice, the range of activities performed by the firm such as auditing, tax service, accounting or management services. Identify the firm's contact person, phone number and email address. State the office address as well as the address and phone number of any local office that will manage or assist in managing this audit.

#### **3.2 Experience with member's private clubs Audits or similar engagements.**

- ✓ List current and past Members Private Clubs clients or private companies indicate the number of years your firm has been the auditor for each client.

#### **3.3 Audit Staffing**

Name and CV(s) of the partner(s), manager(s) and other key staff who would be assigned to this audit.

#### **3.4 Audit Implementation**

- ✓ Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of the Kiambu Golf Club structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the annual audit, indicating how the firm will:-

Determine audit strategy and undertake audit planning;

- Address matters of audit scope and materiality;

- Identify and respond to critical audit issues;
- Control and co-ordinate the audit process;
- Ensure appropriate responsibility for decisions on the audit;
- Conduct the reporting arrangements.

### 3.5 Other Services

- ✓ Description of the methodology to be used for keeping the Kiambu club abreast of any changes in accounting principles or legislation that would impact the annual financial statements.
- ✓ Description of non-auditing professional services provided to other clients and innovative products offered by your firm as well as any specific pricing structure for such services.

### 3.6 Fee Proposal

A breakdown of the proposed fees for year 1 and estimates for year 2 and 3 to cover the following: -

Preparation of annual audited accounts

Fees for any exceptional additional work not covered above and directly related to the external audit

## 4. TENDER EVALUATION

### I. Technical evaluation

The technical evaluation will be based on the following criteria.

	<b>Criteria</b>	<b>Points</b>
1	Overall capability of the firm/consultant	10%
2	Capacity /experience of the firm/consultant	25%
3	Approach & methodology	25%
4	Qualification and specific experience of proposed team	30%
5	Understanding of the assignment	10%
	Total	100%

### II. Financial evaluation

The financial proposal will be evaluated will be determined by the following criteria

Financial score=**lowest bid/bid price x 100**

The overall weights for the evaluation of the technical and Financial will be **50:50** respectively.

Unless otherwise stated, tenders MUST be submitted in a plain sealed envelope and marked "**EA01/01/2021– TENDER FOR EXTERNAL AUDIT SERVICES TO KIAMBU GOLF CLUB**" and addressed to:

**Hon Treasurer**  
**Kiambu Golf club**