

REQUEST FOR PROPOSALS

REQUEST FOR PROPOSAL FOR AUDIT AND TAX CONSULTANCY SERVICES TO TANGAZOLETU LIMITED

RFP/TAN/ 001/2022/FOR THE PROVISION OF AUDIT AND TAX CONSULTANCY SERVICES TO TANGAZOLETU LIMITED

Request for Proposal (RFP)

Date: 1st Sept 2022

Dear Sir/Madam,

Subject: **RFP/TAN/ 001/2022/FOR THE PROVISION OF AUDIT AND TAX CONSULTANCY SERVICES TO TANGAZOLETU LIMITED**

1. You are requested to submit a proposal for the service as per enclosed Terms of Reference (TOR).
2. To enable you to submit a proposal, attached are:
 - i. Instructions to Offerors (Annex I)
 - ii. General Conditions of Contract..... (Annex II)
 - iii. Technical Evaluation Criteria (Annex III)
 - iv. Terms of Reference (TOR) (Annex IV)
 - v. Proposal Submission Form (Annex V)
 - vi. Acknowledgement Letter (Annex VII)
3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than **FRIDAY 23RD SEPTEMBER at 11.00 A.M**

**The C. E. O,
Tangazoletu Limited,
P. O. BOX 62835 – 00200,
Nairobi - Kenya**

MARKED WITH: “RFP/TAN/ 001/2022/FOR THE PROVISION OF AUDIT AND TAX CONSULTANCY SERVICES TO TANGAZOLETU LIMITED”

4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.
5. You are requested to acknowledge receipt of this letter and to indicate whether or not you intend to submit a proposal using the Acknowledgement Letter (Annex VII).

Yours sincerely,

Chris Gathingu,
C.E.O – Tangazoletu Limited

Annex I

Instructions to Offerors

A. Introduction

1. General

The purpose of the RFP is to invite Offerors to submit proposals for the provision of Audit and Tax Consultancy services to Tangazoletu Limited

2. Cost of proposal

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, Tangazoletu Limited will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

B. Solicitation Documents

3. Contents of solicitation documents

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring entity in writing at the organization's mailing address indicated in the RFP. The procuring entity will respond in writing to any request for clarification of the Solicitation Documents that it receives prior to the deadline for the submission of Proposals. Written copies of the organization's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Offerors that has received the Solicitation Documents.

5. Amendments of solicitation documents

At any time prior to the deadline for submission of Proposals, the procuring entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring entity may, at its discretion, extend the deadline for the submission of Proposals.

C. Preparation of Proposals

6. Language of the proposal

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring entity shall be written in English.

7. Documents comprising the proposal

The Proposal shall comprise the following components:

- (a) Proposal submission form (Annex V);
- (b) Technical Proposal, including documentation to demonstrate that the Offeror meets all requirements, completed in accordance with clause 8;
- (c) Price schedule, completed in accordance with clause 9;

8. Technical Proposal

The Offeror shall structure the operational and technical part of its Proposal as follows:

(a) Management plan

This section should also describe the organizational unit(s) that will become responsible for the contract, and the general management approach towards a company of this kind. The contents should include:

- Organizational Background (Infrastructure, Assets and Establishment)
- Experience in similar and relevant skill or expertise
- Previous relevant Tangazoletu Limited company's or similar or equivalent organizations

(b) Proposed methodology

The contents should include:

- Methodology and Approach understanding and clarity
- Concepts with relevant details
- Schedule, planning and allocation of Resources
- Clear deliverables and milestones.

(c) Resource plan

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. The contents should include:

- CVs of the key personnel to perform this task, with Qualifications in terms of education, consultancy, specializations and other relevant requirement.
- Key Technical Skills related to company scope
- Previous Tangazoletu Limited or equivalent similar organization performance appraisal
- References

The operational and technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information which the Offeror considers proprietary, if any, should be clearly marked “proprietary” next to the relevant part of the text and it will then be treated as such accordingly.

9. Proposal prices

The Offeror shall indicate on an appropriate Price Schedule, an example of which is contained in these Solicitation Documents (Annex VI), the prices of services it proposes to supply under the contract.

10. Proposal currencies

All prices shall be quoted in Kenya Shillings.

11. Period of validity of proposals

Proposals shall remain valid for one hundred and twenty (120) days after the date of Proposal submission prescribed by the procuring entity, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the procuring entity on the grounds that it is non-responsive.

In exceptional circumstances, the procuring entity may solicit the Offeror’s consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

12. Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each “Original Proposal” and “Copy of Proposal” as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorized to bind the Offeror to the contract.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialed by the person or persons signing the Proposal.

13. Payment

Tangazoletu Limited shall effect payments to the Contractor after acceptance by Tangazoletu Limited of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

D. Submission of Proposals

14. Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

**The C. E. O,
Tangazoletu Limited,
P. O. BOX 62835 – 00200,
Nairobi - Kenya**

And marked with “RFP/TAN/ 001/2022/FOR THE PROVISION OF AUDIT AND TAX CONSULTANCY SERVICES TO TANGAZOLETU LIMITED)”

- (b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (*Proposal form*) above, with the copies duly marked “Original” and “Copy”. The second inner envelope shall include the price schedule duly identified as such.

Note, if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring entity will not assume responsibility for the Proposal’s misplacement or premature opening.

15. Deadline for submission of proposals

Proposals must be received by the procuring entity at the address specified under clause *Sealing and marking of Proposals* no later than **FRIDAY 23RD SEPTEMBER at 11.00 a.m .**

The procuring entity may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause *Amendments of Solicitation Documents*, in which case all rights and obligations of the procuring entity and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

16. Late Proposals

Any Proposal received by the procuring entity after the deadline for submission of proposals, pursuant to clause *Deadline for the submission of proposals*, will be rejected.

17. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal’s submission, provided that written notice of the withdrawal is received by the procuring entity prior to the deadline prescribed for submission of Proposals.

The Offeror’s withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause *Deadline for Submission of Proposals*. The withdrawal notice may also be sent by email but followed by a signed confirmation copy.

No Proposal may be modified subsequent to the deadline for submission of proposals.

No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the Offeror on the Proposal Submission Form.

E. Opening and Evaluation of Proposals

18. Opening of proposals

The procuring entity will open the Proposals in the presence of a Committee formed by the procuring entity.

19. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request 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.

20. Preliminary examination

The Purchaser 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.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the 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 Offeror 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.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

21. Evaluation and comparison of proposals

A two-stage procedure is utilized in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 100 points in the evaluation of the technical proposals.

The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR). (Annex IV)

Least-cost method

In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation, will be compared. The contractor will be awarded to the Contractor offering the lowest price.

F. Award of Contract

22. Award criteria, award of contract

The procuring entity reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser's action

Prior to expiration of the period of proposal validity, the procuring entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organization and activity concerned.

23. Purchaser's right to vary requirements at time of award

The procuring entity reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in terms and conditions.

24. Signing of the contract

Within 30 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the procuring entity.

General Conditions of Contract**1. LEGAL STATUS**

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis Tangazoletu Limited. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of Tangazoletu Limited.

2. SOURCE OF INSTRUCTIONS

The Contractor shall neither seek nor accept instructions from any authority external to Tangazoletu Limited in connection with the performance of its services under this Contract. The Contractor shall refrain from any action which may adversely affect Tangazoletu Limited and shall fulfil its commitments with the fullest regard to the interests of Tangazoletu Limited.

3. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4. ASSIGNMENT

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of Tangazoletu Limited.

5. SUB-CONTRACTING

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of Tangazoletu Limited for all sub-contractors. The approval of Tangazoletu Limited of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.

6. OFFICIALS NOT TO BENEFIT

The Contractor warrants that no official of Tangazoletu Limited has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7. INDEMNIFICATION

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, Tangazoletu Limited, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8. INSURANCE AND LIABILITIES TO THIRD PARTIES

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

9. ENCUMBRANCES/LIENS

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with Tangazoletu Limited against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10. TITLE TO EQUIPMENT

Title to any equipment and supplies that may be furnished by Tangazoletu Limited shall rest with Tangazoletu Limited and any such equipment shall be returned to Tangazoletu Limited at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to Tangazoletu Limited, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate Tangazoletu Limited for equipment determined to be damaged or degraded beyond normal wear and tear.

11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

Tangazoletu Limited shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the Tangazoletu Limited's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to Tangazoletu Limited in compliance with the requirements of the applicable law.

12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF Tangazoletu Limited

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with Tangazoletu Limited, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of Tangazoletu Limited or the , or any abbreviation of the name of Tangazoletu Limited or the in connection with its business or otherwise.

13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of Tangazoletu Limited, shall be treated as confidential and shall be delivered only to Tangazoletu Limited authorized officials on completion of work under this Contract.

13.2 The Contractor may not communicate at any time to any other person, Government or authority external to Tangazoletu Limited, any information known to it by reason of its association with Tangazoletu Limited which has not been made public except with the authorization of Tangazoletu Limited; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.

14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to Tangazoletu Limited, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities

under this Contract. The Contractor shall also notify Tangazoletu Limited of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, Tangazoletu Limited shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.3 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, Tangazoletu Limited shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

15. TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days' notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.

15.2 Tangazoletu Limited reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case Tangazoletu Limited shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by Tangazoletu Limited under this Article, no payment shall be due from Tangazoletu Limited to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, Tangazoletu Limited may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform Tangazoletu Limited of the occurrence of any of the above events.

16. SETTLEMENT OF DISPUTES

16.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the procedure as may be agreed between the parties.

16.2. Arbitration

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

17. PRIVILEGES AND IMMUNITIES

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities.

18. TAXATION

Accordingly, the Contractor authorizes Tangazoletu Limited to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with Tangazoletu Limited before the payment thereof and Tangazoletu Limited has, in each instance, specifically authorized the Contractor to pay

such taxes, duties or charges under protest. In that event, the Contractor shall provide Tangazoletu Limited with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle Tangazoletu Limited to terminate this Contract immediately upon notice to the Contractor, at no cost to Tangazoletu Limited.

20. BREACH

Any breach of this representation and warranty shall entitle Tangazoletu Limited to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of Tangazoletu Limited.

21. OBSERVANCE OF THE LAW

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22. AUTHORITY TO MODIFY

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against Tangazoletu Limited unless provided by an amendment to this Contract signed by the authorized official of Tangazoletu Limited.

Technical Evaluation Criteria

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable	Company / Other Entity				
				A	B	C	D	E
1.	Expertise of Firm / Organization submitting Proposal	10%	100					
2.	Proposed Work Plan and Approach	35%	350					
3.	Personnel	55%	550					
Total			1000					

Evaluation forms for technical proposals follow on the next two pages. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

Form 1: Expertise of Firm / Organization Submitting Proposal

Form 2: Proposed Work Plan and Approach

Form 3: Personnel

Note: The score weights and points obtainable in the evaluation sheet are tentative and should be changed depending on the need or major attributes of technical proposal.

Technical Proposal Evaluation Form 1		Points obtainable	Company / Other Entity				
			A	B	C	D	E
Expertise of firm / organization submitting proposal							
1.1	Reputation of Organization and Staff (Competence / Reliability)	20					
1.2	Impartiality and Independence of the firm	5					
1.3	General Organizational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organization, strength of company management support e.g. company financing capacity and company management controls)	20					

1.4	Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect company implementation, but properly done it offers a chance to access specialized skills.	5						
1.5	Experience in applying International Financial Reporting Standards - IFRS	20						
1.6	Relevance of: - Specialized Knowledge - Experience on Similar Programme / Companies in the region -Work for Tangazoletu Limited// major multilateral/ or bilateral programmes	Sub-score 10 10 10	30					
			100					

Technical Proposal Evaluation Form 2			Points Obtainable	Company / Other Entity				
				A	B	C	D	E
Proposed Work Plan and Approach								
2.1	To what degree does the Offeror understand the task?		50					
2.2	Have the important aspects of the task been addressed in sufficient detail?	Sub-score	70					
Audit Report								
	-Adopts IFRS Standards	10						
	-Reports to be produced according to the format recommended in the TOR	15						
	-Opinion as to overall financial situation of company: limited to the financial forms and the reconciliation of the operating fund account.	15						
Management Letter								
	- Review of Company Progress	5						
	- Assessment of internal control systems	5						
	- Identify & recommendations for internal control weaknesses	5						
	- Categorization of Audit findings by risk severity	5						
	- Classification of possible causes of audit findings	5						
	- Previous recommendations implemented	5						
2.3	Is the proposal based on a survey of the company environment and was this data input properly used in the preparation of the proposal?	40						
2.4	Is the conceptual framework adopted appropriate for the task?	50						

2.5	Is the scope of task well defined and does it correspond to the TOR?	60						
2.6	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the company	80						
		350						

Technical Proposal Evaluation Form 3			Points Obtainable	Company / Other Entity				
				A	B	C	D	E
3.1	Company Manager	Sub-Score	200					
	General Qualification	80						
	Suitability for the Company							
	- Knowledge of international standards	20						
	- Team leadership	30						
	- Professional Experience in the area of specialization	50						
	- Knowledge of the region	20						
3.2	Senior Expert	Sub-Score	200					
	General Qualification	80						
	Suitability for the Company							
	- knowledge of international standards	20						
	- Team leadership	30						
	- Professional Experience in the area of specialization	50						
	- Knowledge of region	20						
3.3	Junior Experts	Sub-Score	150					
	General Qualification	50						
	Suitability for the Company							
	-Knowledge of international standards	10						
	- Team working skills & client orientation	25						
	- Professional Experience in the area of specialization	50						
	- Knowledge of the industry	15						
		150						

	Total Part 3		550						

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Annex 11: SAS 220 - Guidance on Audity Materiality**Error! Bookmark not defined.**

Introduction

This Terms of Reference (TOR) is intended to provide guidance that the audit is under the responsibility of Tangazoletu Limited.

This TOR has been revised to highlight requirements in the audit services required (Part E and Annex 1) as well as areas to be covered in the audit report and management letter (Part F and Annex 3), as follows:

- Auditors must certify, express an opinion, and quantify the net financial impact on each of the following:
 - (i) Statement of Income and Expenditure - for the period 1 July 2021 to 30 June 2022
 - (ii) Statement of Cash Flows reported for the period 1 July 2021 to 30 June 2022
 - (iii) Statement of assets and equipment as at for the period 1 July 2021 to 30 June 2022.
 - (iv) Statement of Financial Position for the period 1st July 2021 to 30th June 2022
- Auditors must indicate the risks associated with their findings and provide a categorization by risk: High, Medium, or Low.
- Auditors must provide a classification of possible causes of the audit findings.
- Auditors must provide the monetary value of the Net Financial Impact of the qualification if the audit opinion
-

Possible Effect of a prior year modified opinion

Following the International Audit Standard (ISA) 450 and ISA 710 that came into effect on December 2010 there the auditor/audit firm is required to take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved, when expressing an opinion on this year's statements.

It is the responsibility of Tangazoletu Limited Kenya to ensure the audit services are adequately covered as specified in the present TOR are duly certified by the Board of Directors and Auditors, and signed by Tangazoletu Limited CO Management and attached to the audit reports; the same applies for the Statement of Cash (cash and bank balances of the company) and Statement of Assets and Equipment. If the company does not hold any assets of equipment or there is no cash at hand or bank account, the auditors must clearly indicate this in the opinion page and certify it.

Annex 1 provides the audit services required or standard scope of audit.

Annex 2 describes the qualifications of an auditor and may help in the process of selecting auditors. Where the TOR is being supplied to a short list of firms as part of a request for proposals (RFP) and the firms short listed have been pre-qualified, then the list of qualifications would not be needed.

- Annex 3** is a sample of audit report that needs to be submitted by the auditor. A management letter needs to be attached to the audit report.
- Annex 4** provides a definition of audit opinions
- Annex 5** provides guidance on Reporting Prior Year Modified opinion not corrected
- Annex 6** defines the three risk categories of audit findings
- Annex 7** provides the classification of possible causes of audit findings
- Annex 8** provides guidance on formulating audit observations and recommendations
- Annex 9** provides guidance on Audit Materiality

Consultations with concerned parties

Prior to the start of audit work the auditor will be required to consult with Tangazoletu Limited. Further, upon completion of the draft audit report and management letter, the auditor will be required to meet with the Tangazoletu Limited team to debrief them on his / her major findings from the audit and its recommendations for future improvements as well as to seek their feedback thereon.

Description of Financial Reports to be audited

Tangazoletu Limited will make available, statement of cash positions, and statement of assets and equipment, as at **30 June 2022**.

Audit Services Required

The scope of the audit services required is specified below:

- That the audit will be carried out in accordance with IFRS auditing standards.
- That the audit period is 1 July 2021 – 30th June 2022
- That the scope of the audit is limited to only Tangazoletu Limited's expenditures, which are defined as including: all disbursements listed in the financial reports submitted by the company;
- That the auditor is required to state in the audit report if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.
- That the auditor is required to express an opinion as to the overall financial situation of the implementing partner company for the period 1 July 2021 – 30th June 2022 and will certify:
 1. The statement of expenditure for the period from 1 July 2021 – 30th June 2022;
 2. The statement of cash flows (cash and bank balances of the company) reported by the as at 30 June 2022, and
 3. The statement of assets and equipment held by the company as at 30 June 2022.
- That the auditor is required to, as applicable, report in monetary value, the net financial impact of any modified audit opinion (modified opinions can be qualified, adverse, or disclaimer) on the statement of expenditure where applicable.

That the auditor/audit firm is required to submit a draft audit report by **01/12/2022** and a final signed audit report with signed Tangazoletu Limited statements by **15/12/2022**

The Audit Report and Management Letter

The audit report and management letter will include the following topics/areas to be covered by the auditors:-

I. Audit Report

The audit report will clearly indicate the auditor's opinion. This will include at least the following:

- That it is a special purpose and confidential report
- The audit standards that were applied
- The period covered by the audit opinion
- The amount of expenditure audited
- The amount of the net financial impact of the modified audit opinion, if modified
- The reason(s) resulting in the issuance of a modified audit opinion, qualified, adverse or disclaimer opinion (the reason(s) must be also included in the management letter as an audit observation(s))
- The scope limitation (description and value) for those transactions that are the responsibility of Tangazoletu. Such scope limitation **should not** be reason for a qualified audit opinion as such transactions would be, in general, excluded from the audit scope

(a) A Financial Audit to express an opinion on the company's financial statements that includes

- ✓ Expression of an opinion on whether the statement of expenditure presents fairly the expenditure incurred by the company over a specified period in accordance with Tangazoletu Limited accounting policies and that the expenditures incurred were: in compliance with the relevant regulations and rules, policies and procedures of Tangazoletu Limited; and supported by properly approved vouchers.
- ✓ Whether the result of the prior year's audits resulting in modified audit opinions on the Tangazoletu Limited had conclusive actions to properly address an audit qualification in the previous year audit and the related Net Financial Impact (NFI). If there is a lack of conclusive actions, the auditors must take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

- ✓ Expression of an opinion on the value and existence of the company's statement of assets and equipment as at a given date. This statement must include all assets and equipment available as at 30 June 2022, (and not only those purchased in a given period). Where the company does not have any assets or equipment, it will not be necessary to express such an opinion, however, this should be disclosed in the audit report.
- ✓ Express an opinion on the value and existence of the cash held by the company as at a given date i.e. 30 June 2022. The Audit Firm is required to express an opinion on the Statement of Cash Flows.

The Financial Audit will be conducted in accordance with International Standards of Auditing (ISA) and IFRS.

- (b) An audit to assess and express an opinion on the company's internal controls and systems.

The deliverable will be an audit report similar to a long form management letter that covers the internal control weaknesses identified and the audit recommendations to address them.

II. Management Letter

The management letter will be attached to the audit report and cover the following topics/issues:

- An assessment of the company's internal control system with equal emphasis on: (i) the effectiveness of the system in providing the company's financial management with useful and timely information for the proper management of the financial systems; and the general effectiveness of the internal control system in protecting the assets and resources of the company.
- A description of any specific internal control weaknesses noted in the financial management of the company and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

The audit of internal controls and systems will be conducted in accordance with the International Standards for Audit (ISA).

The management letter will also include the following:

- Effective audit observations/recommendations
- The categorization of audit observations by risk severity: High, Medium, or Low.
- The classification of possible causes of the audit observations.

- Management comments/response to audit observations and recommendations as applicable
- Indication of observations that affect the audit opinion (when qualified, adverse or disclaimer opinion is given)

More detailed guidance for the above general categories is provided below.

Review of company's progress

As part of the general review of company progress, specific steps shall include the following:

- Review annual and quarterly work plans, quarterly and annual financial reports, and assess in terms of their timeliness and their compliance with IFRS

Assessment of internal control

The auditor is required to conduct a general assessment of internal controls according to established internal control standards.

In addition to the above general assessment, the auditor will perform the following additional specific steps:

- Review the use, control and disposal of non-expendable equipment and assets and also whether the equipment procured met the identified needs and whether its use was in line with intended purposes.
- Review the company's accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements of cash; and for supporting the preparation of the quarterly financial report.

Recommendations for improvement

Recommendations should be directed to a specific area so there is no confusion regarding who is responsible for implementation. This be included in the management letter, immediately following the recommendation.

Also, the auditor may wish to comment on "good practices" (if any) that were developed by the company.

The auditor will have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts etc.) and all Finance Department employees of the company.

Annex 1: Audit Services Required

The scope of audit services shall be in accordance with International Standards for Audit (ISA) and cover the overall management of the company's implementation, monitoring and supervision. The audit work should include the review of work plans, progress reports, company resources, company budgets, company expenditure, company delivery, recruitment, operational and financial closing of companies (if applicable) and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed

Finance

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expenditure reports, records maintenance and control.

Asset Management

The audit work shall cover equipment (typically vehicles and office equipment) purchased for use of the company. The procedures for receipt, storage, and disposal shall also be reviewed.

Note: The above scope shall cover those transactions performed at the level of the company

Scope Limitation

Transactions/actions that are performed by Tangazoletu Limited for its running costs, capacity building activities and knowledge management activities are **not** to be included in the audit scope. **Important note:** Such scope limitation should not be a reason for issuing a modified audit opinion by the auditors.

Annex 2: Qualifications of an Auditor

- ✓ The audit firm should be registered and with audit experience. It should also show proof of tax compliance.
- ✓ The Principal of the audit firm shall have relevant post-qualification audit experience the audit of the each company shall be led by a Professional Accountants such as Chartered Accountant (CA), Chartered Certified Accountant (CCA) or Certified Public Accountant (CPA) or Expert Computable with minimum 5 years' experience. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.
- ✓ The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited.
- ✓ The auditor should 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 the company.
- ✓ It may be appropriate to remind an auditor of any existing statutory requirements relating to independence and to require an auditor to disclose any relationship that might possibly compromise his/her independence.
- ✓ The auditor should be experienced in applying either ISA audit standards, applicable for the audit.
- ✓ The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA standards, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.
- ✓ Curriculum vitae (CVs) should be provided to the client by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of managers, supervisors and key personnel proposed as part of the audit team.
- ✓ The audit firm should provide 3 reference letters of similar audit work undertaken before.

Annex 3: Sample Audit Report

Auditor's report to:

The Board of Directord, Tangazoletu Limited-Kenya

Format for Financial Certifications

I. Sample Certification for Statement of Expenditure

REPORT OF THE INDEPENDENT AUDITORS TO Tangazoletu

We have audited the accompanying Statement of expenditure (“the statement”) of the company [insert award and company number(s)], [insert official title of company] for the period [insert period covered].

Management is responsible for the preparation of the statement for <name/title> company and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Clean Opinion:

Option 1: (Unmodified)

In our opinion, the attached statement of expenditure presents fairly, in all material respects, the expenditure of [insert amount] incurred by the company [insert official name] for the period [insert period covered] in accordance with agreed upon accounting policies [if needed add - and the note to the statement]

Option 2: (Qualified opinion)

In our opinion, the attached statement of expenditure, except for the reasons indicated above in paragraphs (1), (2), (3), etc., [there should be a separate Basis for Qualified Opinion Paragraph where the basis for Qualified opinion is clearly explained] presents fairly in all material respects the expenditure of [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Option 3: (Adverse opinion)

In our opinion, based on the significance of the matter discussed in paragraph (1), (2), (3) etc. [there should be a separate Basis for Adverse Opinion Paragraph where the basis for adverse opinion is clearly explained] the statement of expenditure does not give a true and fair view of the expenditure of [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Option 4: (Disclaimer of opinion)

Because of the significance of the matter described in paragraph (1),(2), (3), etc [there should be a separate Basis for Disclaimer of Opinion Paragraph where the basis for disclaimer of opinion is clearly explained] we were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly we are unable to express an opinion on the statement of expenditure of [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Auditor's Signature

Date of the auditor's report

Auditor's address

II. Sample Certification for Statement of Assets (Refer to ISA 700)

We have audited the accompanying statement of assets ("the statement") of the company number [insert award and company number(s)], [insert official title of company] as at [insert date].

Management is responsible for the preparation of the statement for <name/title> company and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Option 1: (Unmodified)

In our opinion, the attached statement of assets presents fairly, in all material respects, the balance of inventory of the company [insert official title of company] amounting to [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Modified Opinions (Refer to ISA 705)

Option 2: (Qualified opinion)

In our opinion, the attached statement of assets, except for the reasons indicated above in paragraphs (1), (2), (3), etc., [there should be a separate Basis for Qualified Opinion Paragraph where the basis for Qualified opinion is clearly explained] presents fairly in all material respects the balance of inventory [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Option 3: (Adverse opinion)

In our opinion, based on the significance of the matter discussed in paragraph (1), (2), (3) etc [there should be a separate Basis for Adverse Opinion Paragraph where the basis for adverse opinion is clearly explained] the statement of assets does not give a true and fair view of the expenditure of [insert amount in] incurred by the company [insert official name of the company] for the period [insert period covered] in accordance with Tangazoletu Limited accounting policies [if needed add: and the note to the statement].

Option 4: (Disclaimer of opinion)

Because of the significance of the matter described in paragraph (1),(2), (3), etc. [there should be a separate Basis for Disclaimer of Opinion Paragraph where the basis for disclaimer of opinion is clearly explained] we were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly we are unable to express an opinion on the statement of assets of [insert amount in KES] incurred by the company [insert official title of company] and audited by us as at [insert date].

Auditor's Signature
Date of the auditor's report

Auditor's address

This report is intended solely for the information and use of Tangazoletu Limited and the Government of Kenya

Date of issuance: _____

AUDITOR'S NAME (Please print): _____

AUDITOR'S SIGNATURE: _____

STAMP AND SEAL OF AUDIT FIRM: _____

AUDIT FIRM ADDRESS: _____

AUDIT FIRM TEL. NO. _____

Note: Audit opinions must be one of the following: (a) qualified, (b), unqualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than “unqualified” the audit report must describe both the nature and amount of the possible effects on the Tangazoletu Limited financial statement (Amount of qualification/**Net Financial Impact**). A definition of audit opinions is provided in Annex 4.

Annex 4: Definition of Audit Opinions

Unqualified (Clean or positive) Opinion

An unqualified opinion should be expressed when the auditor concludes that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

Qualified Opinion – a modified (negative) audit opinion

A qualified opinion should be expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management, or limitation on scope is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion. A qualified opinion should be expressed as being ‘except for’ the effects of the matter to which the qualification relates.

Disclaimer of opinion – a modified (negative) audit opinion

A *disclaimer of opinion* should be expressed when the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence and accordingly is unable to express an opinion on the financial statements.

Adverse – a modified (negative) audit opinion

An *adverse opinion* is expressed by an auditor when the financial statements are significantly misrepresented, misstated, and do not accurately reflect the expenditure incurred and reported in the financial statements (statement of cash, statement of assets and equipment).

An *adverse opinion* is expressed when the effect of a disagreement is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

Annex 5: International Standard for Audit (ISA) 450 and 710

Guidance on Reporting Prior Year Modified opinion not corrected

Following the International Audit Standard (ISA) 450 and ISA 710 that came into effect on December 2010 there is a new requirement regarding a previous year modified audit opinion¹ This audit standard requires that auditors, when expressing an opinion on this year's statements, to take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years that would lead the BoD to issue a modified audit opinion on Tangazoletu Limited financial statements.

¹ A "modified" audit opinion means either a qualified opinion, a disclaimer opinion or an adverse opinion.

Annex 6: Categorization of Audit Findings by Risk Severity

High	Action that is considered imperative to ensure that Tangazoletu Limited is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
Medium	Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).
Low	Action that is considered desirable and should result in enhanced control or better value for money.

Annex 7: Classification of possible causes of Audit Findings

1. Lack of/or inadequate policies/procedures/guidelines
2. Lack of/or inadequate guidance/supervision at the company level
3. Inadequate guidance/monitoring at Tangazoletu Limited
4. Lack of/or insufficient resources (specify: financial, human or, technical resources)
5. Inadequate planning
6. Inadequate training
7. Human error
8. Intentional overriding of internal controls
9. Inadequate management structure

Annex V

PROPOSAL SUBMISSION FORM

Dear Sir,

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide audit services to Tangazoletu Limited for the sum as may be ascertained in accordance with the Price Schedule attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to commence and complete delivery of all services specified in the contract within the time frame stipulated.

We agree to abide by this Proposal for a period of 120 days from the date fixed for opening of Proposals in the Invitation for Proposal, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

We understand that you are not bound to accept any Proposal you may receive.

Duly authorized to sign Proposal for and on behalf of

Signature & Stamp of entity

Dated this day /month / year

Name of representative:

Address:

Telephone

