



REQUEST FOR PROPOSAL

RFP-003-FINANCE-2025

CONSULTANCY SERVICES FOR EXTERNAL AUDIT SERVICES

RFP ISSUE DATE: - 29th JANUARY 2025

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SECTION 1 - INVITATION LETTER FOR REQUEST FOR PROPOSAL.

RFP REF NO.: - RFP-003-FINANCE-2025

RFP Reference No.	RFP-003-FINANCE-2025
Title of Tender	CONSULTANCY SERVICES FOR EXTERNAL AUDIT SERVICES
Issuing Office & Address	TAX JUSTICE NETWORK AFRICA Jaflo Limited, Block 3 - 106 Brookside Drive, Westlands Website: - https://taxjusticeafrica.net/
Location of this Assignment	Nairobi-Kenya
Point of contact for clarifications & questions	TJNA Procurement Unit, procurement@taxjusticeafrica.net
Amendment of RFP Documents	At any time before the submission of proposals, Client TJNA may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. The addenda shall be sent by mail to all invited consultants and will be binding on them. The Client may, at his discretion, extend the deadline for the submission of proposals, if deemed necessary, allow bidders reasonable time to take the amendment into account.
Email address for submission of Proposals	TJNA Procurement Unit, procurement@taxjusticeafrica.net
Deadline for submission of questions and clarifications	3 rd FEBRUARY 2025
Deadline for Answering questions and clarifications	4 th FEBRUARY 2025
Deadline for submission of Proposals	Please include the subject line "RFP-003-FINANCE-2025" in the email.
Anticipated Award Type	Consultancy Agreement
PRELIMINARY/MANDATORY EVALUATION CRITERIA	
	<p><u>Preliminary Mandatory Requirements</u> Bidders will be evaluated based on the following mandatory requirements. Those who fail to submit any of the documents below will not be considered for evaluation in the subsequent steps.</p> <p>Registered Firms/ Individual Entities: -</p> <ol style="list-style-type: none"> 1. Certificate of registration or Incorporation 2. Copy of List of Directors, Shareholders, and beneficial owners (CR12) 3. Tax Compliance Certificate 4. Valid business permit from country of jurisdiction 5. Submission Technical Proposal 6. Submission of the financial proposal 7. Previous Experience (Reference letter/LSO/Contract) 8. Company Profile 9. CVs for the proposed team

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SECTION 2: INSTRUCTIONS TO BIDDERS

INTRODUCTION

Tax Justice Network Africa (TJNA) is a pan-African research and advocacy organisation established in 2007 and a member of the Global Alliance for Tax Justice (GATJ). Through its Nairobi Secretariat, TJNA collaborates closely with its member organisations and other civil society partners across Africa to curb illicit financial flows (IFFs) and promote progressive taxation systems. TJN-A advocates for pro-poor tax policies and the strengthening of tax systems to promote domestic resource mobilisation (DRM). TJNA also plays a leading role in global coalitions committed to tackling the phenomena of global tax avoidance and evasion and achieving fundamental reforms of the current global financial architecture.

The work of TJNA is co-coordinated through a Secretariat which is headed by an Executive Director. The Executive Director has the responsibility to submit annual audited financial statements of the Secretariat to its cooperation partners, stakeholders and governing bodies.

The financial statements of the Secretariat are prepared in accordance with Generally Accepted Accounting Practice, the Financial policies and procedures of TJNA and relevant Rules and Regulations of Cooperating Partners, as appropriate. The accounts are required to be audited by External Audit Firms registered with the accountancy body in Kenya ICPAK.

To ensure transparency and accountability, TJNA engages independent external auditors to audit its financial statements in accordance with internationally recognized standards. This TOR outlines the expectations for the external audit services for the financial year 2025. The contract will be renewable for a three-year period.

2. PROPOSAL SUBMISSION

Interested and Eligible consultants/consortiums are required to submit their application in the English language with the following specific information: -

- Experience in similar assignments.
- Availability of appropriate key staff to be involved in the assignment.
- A brief profile of the firm, including a description of the firm.
- Proposed work plan and approach/methodology/concept.

Interested consultants may obtain further information from our website: <https://taxjusticeafrica.net/>.

2.1 The Technical and Financial Proposals must be submitted separately to procurement@taxjusticeafrica.net by **5th February 2025 @5:00PM.**

2.2 Association

Consultants may associate with other firms in the form of a Joint venture or a sub-consultancy to enhance their qualifications (provide group agreement to the effect).

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Shortlisted consultants may associate with non-shortlisted consultants ONLY after seeking written approval from TJNA.

2.3 Grounds for Exclusion

Organizations or Individuals are to be excluded from participating in this RFP if: -

- a) They are declared prohibited by TJNA because of their involvement in corrupt or Fraudulent practices in Procurement.
- b) TJNA staff or management involved in the procurement process have a financial interest.
in, or close relatives working with, the organization or individual.
- c) They are bankrupt or being wound up, whose affairs are being administered by a court, who have entered an arrangement with creditors, who have suspended business activities, or who are subject to an injunction against running a business by the court.
- d) They are the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court, or for an arrangement with creditors, or of any other similar proceedings.
- e) They have been convicted of an offense concerning their professional conduct by a court.
- f) they have been found guilty of grave professional misconduct or
- g) They have not fulfilled obligations relating to payments of taxes or social security contributions.

2.5 Validity of Proposal

The proposal must remain valid for **90 calendar days** after the proposal submission deadline.

2.6 Communication

Communication between bidders or their agents and any official of TJNA is strictly forbidden except as provided for in the relevant sections of this RFP. Infringement of this clause may lead to automatic disqualification from the bid process.

2.7 Taxes

The financial proposal shall include all applicable taxes quoted separately. If taxes are not mentioned in the financial proposal, TJNA shall consider that they are included in the prices provided.

2.8 Currency

The financial proposal shall be **in Kenya Shillings (KES)** or **US Dollars (USD)**.

2.9 TJNA Policy and Standard Terms and Conditions

a) TJNA Employees

All proposals must indicate any/all known TJNA employees and/or near relatives who hold a position in your organization or have been engaged as a consultant for your organization within the last two years. Also indicate any known TJNA employees or near relatives that own or control more than a ten percent (10%) interest in your organization; If There are none, state so.

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b) Conflict of Interest

The Consultant shall not hire any officer or employee of TJNA to perform any service covered by this agreement. The Consultant should ascertain that to the best of their knowledge there exists no actual or potential conflict between Consultant's family, business, or financial interest and the service provided under this agreement, and in the event of change in either private interests or service under this agreement, any question regarding possible conflict of interest which may arise because of such change will be raised with TJNA.

The Consultant shall not be in a reporting relationship with TJNA employee who is a near relative, nor shall the near relative be in a decision-making position with respect to the Consultant.

c) Ethics

The Consultant will exercise extreme care and due diligence to prevent any action or conditions that could result in conflict with the best interest of TJNA.

Throughout the term of any agreement resulting from the RFP, the Consultant will not accept any employment or engage in any work that creates a conflict of interest with TJNA or in any way compromises the work to be performed under this RFP or any agreement resulting from this RFP. The Consultant and its employees will not offer gifts, entertainment, payment, loans, or other gratuities or consideration to TJNA employees, their families, other Consultants, subcontractors, or other third (3rd) parties for the purpose of influencing such people to act contrary to TJNA's interest or for personal gain. The Consultant will immediately notify TJNA of all such violations of this clause upon becoming aware of such violations.

d) TJNA's Right to Reject or Modify

Selection of a proposal does not mean that all aspects of the proposal(s) are acceptable to TJNA. TJNA reserves the right to negotiate the modification of the proposal terms and conditions prior to the execution of a contract to ensure satisfactory procurement.

e) Supplemental Terms and Conditions/Modifications

Any supplemental terms or conditions, or modification or waiver of these terms and conditions, must be in writing and signed by a Consultant and TJNA.

3.0 Form of Agreement

The contents of this RFP and the proposal document of the successful Consultant shall become contractual obligations as part of the Contract if acquisition action ensues. Failure of a successful Consultant to accept these obligations in a contractual agreement shall result in the cancellation of the award. TJNA reserves the right to negotiate provisions in addition to those stipulated in this RFP or proposed by a consultant for the purpose of obtaining the best possible contract.

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- **Marketing References**

The successful Consultant shall be prohibited from making any reference to TJNA in any literature, promotional material, brochures, or sales presentations without the express written consent of TJNA.

1. OBJECTIVES OF AUDIT:

- Enable the auditor to express a professional and independent opinion on TJNA's Financial Statements for the financial year under review and on whether the statements fairly present the financial position and were prepared in accordance with accounting principles, standards, and all relevant laws and regulations.
- Verify that funds received from TJNA donors are utilized for the intended purpose and as per the provisions of Grant Agreements.
- Provide an opinion on whether TJNA maintains adequate internal controls and supporting documentation for its transactions.

2. AUDITING STANDARDS:

The audit shall be carried out in accordance with International Standards on Auditing (ISA), the International Organization of Supreme Audit Institutions (INTOSAI) or national standards that comply with ISA or INTOSAI in all material respects and should include such tests and auditing procedures as the auditor considers necessary for the assignment

3. RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS:

3.1 The responsibility for the preparation of Financial Statements lies with the TJNA Secretariat and is also responsible for:

- (a) The selection and application of accounting policies. TJNA Secretariat will prepare the Financial Statements in accordance with applicable accounting standards that comply with appropriate international standards in all material respects; and
- (b) Implementing accounting, administrative and financial procedures documented in manuals.

3.2 The auditors are responsible for the formulation of an opinion on the Financial Statements based on their audit conducted in accordance with ISAs (International Standards on Auditing). In accordance with these standards, the auditors will request the TJN-A for an Engagement/Confirmation Letter committing the TJNA Secretariat management to the preparation of the Financial Statements and maintenance of proper internal control systems as well as acceptable documentation for all financial transactions.

4. SCOPE OF AUDIT:

The auditor will:

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- a) Carry out tests of transactions as necessary and will obtain an understanding of TJN-A's accounting system to assess its adequacy as a basis for the preparation of its financial statements to establish whether adequate records have been maintained;
- b) Confirm that an appropriate internal control framework is in place to provide reasonable assurance on the operations of TJNA's efficient use of resources and reliability of financial reports,
- c) Confirm that although TJNA remains responsible for preventing errors, irregularities, or fraud, the audit is planned to provide reasonable assurance that any material misstatements, irregularities, and/or fraud in the entity's financial statements are detected.
- d) Confirm that funds have been used in accordance with the applicable rules of the concerned donors, board decisions with due attention to economy and efficiency and that they have only been used for the purposes for which they were intended and in accordance with the conditions under which the funding was provided;
- e) Confirm that Goods and services financed have been procured in accordance with sound procurement procedures spelt out in the TJNA Procurement Manuals; Financial policies and procedures and applicable rules of the donors;
- f) Confirm that all necessary supporting documents, records, and accounts have been kept with respect to all activities. Clear linkages should exist between the books of accounts and the financial statements presented;
- g) Confirm that the financial statements have been prepared in accordance with acceptable accounting practice and give a true and fair view of the financial position of the Secretariat at the end of the financial year.

The above-defined scope does not in any way restrict the audit procedures or the techniques that the auditor may wish to use in forming an opinion on the Financial Statements being audited.

5. FINANCIAL STATEMENTS

The Financial Statements, among others, include:

- (a) A Statement of Income and Expenditure;
- (b) A Statement of Financial Position;
- (c) A Statement of Changes in Accumulated Funds;
- (d) A Statement of Cash Flow;
- (e) The Accounting Policies Adopted and Explanatory Notes;
- (f) Where applicable, a financial report is compliant with the terms and conditions of agreements with the donors.

6. AUDIT REPORT

6.1 The auditor is expected to present two types of reports: An opinion on the Financial Statements prepared by the Secretariat and a Management Letter.

6.2 The opinion on the Financial Statements shall contain:

- (a) A professional opinion on the financial statements and supporting schedules as regards to their true and fair view;
- (b) The period covered by the opinion.

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- (c) Accounting standards and TJN-A Financial Policies and procedures that have been applied indicating the effect of any deviations from them;
- (d) The International Audit standards that were applied;
- (e) Include all other donor and cooperating partners' requirements as stated in the various cooperating agreements.

6.3 The Management Letter, among others, shall contain:

- a. Comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- b. Specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;
- c. The degree of compliance of each of the donor funding agreement and give comments, if any, on internal and external matters affecting such compliance;
- d. Matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the funding;
- e. Report on the implementation status of recommendations pertaining to previous period audit reports;
- f. Areas of risk that need to be flagged out to management;
- g. Any other matters that the auditors consider pertinent to be brought to the attention of the Secretariat.

6.4 Ideally, the Management Letter will include reactions/comments from TJN-A Secretariat on the weaknesses noted by the auditors.

6.5 The audit report will be submitted as three hard copies and one PDF copy of the final audit report to the secretariat.

7. AUDIT OF PROJECTS

7.1 The scope of the audit of projects depends on the cooperation agreement signed between the cooperating partners and the Secretariat. The audit requirements are stated in the various agreements that govern the funding and for those projects that require separate audit reports. The scope of the audit will be similar to the institutional audit; however, some of the general requirements are the following:

- a. That the External Auditors have obtained an understanding of the terms and conditions governing the grant agreement.
- b. That the funds received have been used in accordance with the cooperation agreement.
- c. That the accounts kept by TJN-A are accurate and up to date;
- d. That the accounts and expenditures relating to the grant/cooperation agreement are easily identifiable and verifiable;
- e. That it is possible to reconcile the information in the Financial Report to TJN-A's accounting system and records;
- f. That the correct exchange rates have been applied;
- g. That any identified bank interests have been properly reflected in the books of accounts;
- h. That the Secretariat has maintained the necessary supporting documents, records and accounts in respect of the project activities; and

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- i. That the internal control systems of the organization are comprehensive, sufficient and adequate.

7.2 A separate audit report will in this case be prepared for the project audit

7.3 The financial records maintained for projects are usually the following:

- i. Financial ledgers,
- ii. Payments vouchers substantiated by support documentation; and
- iii. Financial reports (wherever applicable).

8. GENERAL INFORMATION

8.1 The audit report (on the consolidated TJN-A accounts and separate project reports), including the financial statements, the management letter, and the TJN-A's Secretariat's responses should be received by TJN-A within six (6) months after the end of the fiscal year under review.

8.2 The auditors shall be given access to all legal documents, correspondence and any other information associated with the Financial Statements to be audited and deemed necessary by them.

9. QUALIFICATIONS OF THE AUDIT FIRM

- 1) Should be registered with the Institute of Certified Public Accountants (ICPAK) and have a current practising license.
- 2) An Engagement Partner with over 5 years of auditing experience and sound knowledge of donor-funded projects.
- 3) The firm should have relevant experience in accounting & auditing of donor-funded organisations. A Quality Assurance Review by ICPAK is an added advantage
- 4) The firm must have a physical address and a valid business permit.
- 5) The firm should hold a valid Tax compliance certificate.

10. BIDDING DETAILS

Interested entities should submit an expression of interest with the following.

- Confirmation of the firm's understanding of the Terms of Reference.
- The firm's capability and capacity to deliver on the Terms of Reference.
- Organizational profile, preferably demonstrating previous working experience with Not-for-Profit donor funded entities.
- Proof of registration with ICPAK and Partners' Practicing Certificates.
- Financial proposal detailing proposed fees and/or expenses.

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HOW TO APPLY:

Please submit the following by **17:00 East African time on Wednesday, February 5th, 2025**, to procurement@taxjusticeafrica.net with the email subject **RFP-003-FINANCE-2025: “EXPRESSION OF INTEREST – EXTERNAL AUDIT SERVICES”**

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