



TERMS OF REFERENCE FOR PROVISION OF INTERNAL AUDIT SERVICES TO THE EAST AFRICAN BUSINESS COUNCIL SECRETARIAT IN ARUSHA

1.0 Background:

- 1.1 The East African Business Council (EABC) is the umbrella organisation of the Private Sector in East Africa. Established in 1997, EABC is at the forefront of facilitating private sector participation in the integration process of the East African Community (EAC). EABC works closely with East African Community Secretariat, East African Legislative Assembly, governments, regional economic communities, multilateral groups and the business community to improve the region's trade and investment climate.
- 1.2 EABC members are drawn from private sector associations and the five East African Countries (Uganda, Kenya, Tanzania, Rwanda, and Burundi). Our members believe in a private sector- led economic integration with government acting as facilitating the process.
- 1.3 EABC is registered as a company limited by guarantee and is incorporated under the laws of the United Republic of Tanzania. It is managed by a 22 member Executive Committee, headed by a Chairperson, elected from the 5 partner States on annual rotational basis. A Secretariat, based in Arusha and headed by an Executive Director and limited Staff, serves the day to day needs of the Members.
- 1.4 The source of funding for the activities of EABC is the annual membership subscriptions. There are currently also several international development partners funding the implementation of various projects and programmes of the EABC.

2. EABC's Mission:

EABC's mission is to represent and promote the interests of the EAC business community; provide value added services that create new business opportunities, enhance global competitiveness of EAC businesses, and actively influence government policies to improve the enabling business environment.

3. Objective of the Audit

- 3.1 Help the organisation accomplish its business objectives by bringing a systematic, disciplined approach to evaluate and improve the the effectiveness of risk management, control and governance processes.
- 3.2 Provide an independent assurance to the board through its Finance and Administration committee and management, focusing on reviewing the effectiveness

of governance, risk management and control processes that management has put in place.

3.3 Provide advice to management on governance, risks and control issues in order to enhance the effectiveness of the systems of internal controls and to safeguard the organisations assets.

3.4 Provide advise to management on possible areas of exposure on tax compliance.

4.0 Auditing Standards

The audit should be carried out in accordance with International Standards for the Professional Practice of Internal Auditing (Standards) and or any other International Standards that are appropriate for Internal Audit procedures.

5. Scope of work

The audit shall cover the period 1st January 2014 – 31st December 2014 and shall cover all income received by the organisation from membership subscriptions and Development Partners. It should include such tests and verification procedures as the auditors consider necessary under the circumstances.

6. Reports

Internal Audit report

The Auditors shall prepare an internal audit report clearing highlighting their specific findings and areas of recommendations.

The report will include but will not be limited to;

6.1 Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit;

6.2 Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;

6.3 Report on the degree of compliance with each of the EABC rules and regulations and funding agreements and give comments, if any, on internal and external matters affecting such compliance;

6.4 Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the programme ; and

6.6 Bring to the EABC managements' attention any other matters that the auditors consider pertinent.

8. Audit Team:

8.1 The audit firm should be registered and have a license from a national or regional Accountancy Body. The Team shall include staff with relevant professional qualifications, experience in accounting of limited companies and donor-funded operations and in applying International Standards for the Professional Practice of Internal Auditing (Standards).

8.2 The key audit team will comprise, at least:

- An Audit manager/Team Leader with at least 5 years experience in auditing and with a sound knowledge of private companies and donor-financed projects. In addition s/he should be a member of a recognised accountancy professional body;
- An assistant auditor with adequate experience and professional qualifications.

8.3 The Auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited or directly related entities. They should not, during the period covered by the audit or 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 entity. The auditor is required to disclose any relationship that might possibly compromise their independence.

9. EABC Responsibilities to the Consulting Firm

9.1 Provision of all relevant documents required by the auditor such as legal documents, correspondence and any other information associated with the organisation and projects that may reasonably be deemed necessary to enable them undertake the audit;

9.2 Provide working space, administrative support at the EABC headquarters in Arusha, Tanzania.

10. Timeframe or Consultancy Duration:

The audit procedures shall be carried out within the course of year 2014. Commencement date shall be agreed with the successful consultants and reports will be presented to the Finance and Administration Committee of the Executive Committee in their second and third quarter meetings in the year 2012. A workplan should be submitted as part of the bid.

11. Amount and Mode of payment:

The Consultant will be paid as per the Contract agreement, based on production of the stated deliverables.

12. Reporting

The Consultant will report to the company's Executive Committee through its Finance and Administration Committee.

13. Who to apply

All experienced, credible and registered Audit Consultancy firm(s) having valid practising certificates from their professional body with legal capacity to enter into a contract .

14. Submission of Proposals

14.1 Technical Proposal

- Technical Proposal;
- Administrative requirements including; firm profile, registration and license documents, Tax registration, power of attorney(where applicable);
- Contact details, evidence of experience in similar tasks;
- CVs of Professional staff involved (Minimum of two (2) staff)

14.2 Financial Proposal

- Financial proposal.
- Full cost in USD and breakdown of reimbursables, Taxes and duties and any other related costs

The Technical and Financial proposals should be in separate files.

13. Evaluation Criteria

Appears as Appendix 1 below

14. How to apply

Interested bidders should submit the Technical Proposal and the Financial Proposal clearly marked "**QUOTATION FOR PROVISION OF INTERNAL AUDIT SERVICES TO THE EAST AFRICAN BUSINESS COUNCIL**" to EABC bid box not later than 14th April **2014** at **2.30 pm** addressed to;

**The Executive Director,
East African Business Council Limited,
Plot 1 Olorien, Kijenge, Off Njiro Road,
P.O. Box 2617, Arusha, Tanzania.
Tel: +255 27 2543047 Fax: +255 27 2509997**

Or by email to procurement@eabc-online.com

APPENDIX 1

1.1	Mandatory Eligibility Criteria	Yes/No
	<p>Documents required to be submitted with the Proposal are:</p> <ul style="list-style-type: none"> • Company Profile • Registration details • Business Licence/practising license • Tax identification Numbers • Powers of attorney(where applicable) 	
2.0	Evaluation Criteria	
	Details	Marks
2.1	<p>Overall capabilities of the firm. Affiliation with international firm, experience in not-for-profit organisations, international organisations and private companies of a similar nature. Number of partners and professional staff, types and numbers of clients and firm specialties that may be advantageous to the audit of the organisation.</p>	15
2.2	<p>Professional Team to be assigned Organization of team (lead partner, team members). The curriculum vitae of lead partner, team members, professional and academic qualification, years of audit experience, recent professional development activities, experience with audit of not-for-profit entities, experience with auditing against international financial reporting standards, Number of hours allocated in proposal by partners, managers and auditor in charge.</p>	30
2.3	<p>Approach methodology and workplan Risk assessment methodology, balance between reviews of controls and substantive testing, reporting approach–interim reports, management reports, presentations to management and Board, number of hours allocated to the assignment, number of visits to the Secretariat for the audit and approach to reviewing the financial system.</p>	15
2.4	<p>Understanding of the assignment Familiarity or at least knowledge of types risk issues facing an entity like EABC, Approach tailored for not for profit organisation, registered as a company limited by guarantee and receiving donor-funding. Ability to audit against International standards appropriate for internal audit.</p>	20

2.5	Specific staff experience;	
2.5.1	Lead Partner should be a Certified Public Accountant - 5 years experience in audit	10
2.5.2	Others- Minimum 2 years (Must demonstrate practical experience and expertise with Internal Audit projects)	10
	Total Points	100
3.0	The minimum Technical Score required to pass is: 70 Points.	
3.1	The formula for determining the financial scores is the following: $S_f = 100 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration.	
3.2	The weights given to the Technical and Financial Proposals are: $T = 0.7$ and $P = 0.3$	
4.	The address for contract negotiations is: P.O. Box 2617, Arusha, Tanzania Plot 1 Olorien, Kijenge, off Njiro Road or as may be amicably agreed.	