



EXPRESSION OF INTEREST FOR PROVISION OF EXTERNAL AUDIT SERVICES

ISSUE DATE: 22ND JANUARY 2024

INTRODUCTION

Anglican Development Services Western (ADSW) is the development arm of the Anglican Church of Kenya, Dioceses of Maseno North, Mumias, Butere, Bungoma, Katakwa and Nambale.

ADSW is involved in development work since the 1980s and was registered as a company limited by guarantee in 1997. ADS Western works with communities in western Kenya and environs from both low and high potential areas who have expressed interest in participating in development initiatives. Engagement with these communities is through Common Interest Groups. The communities are from different socio-economic, ethnic and religious backgrounds and have varying concerns and priorities.

ADS Western Ltd seeks to engage a reputable audit firm to carry out annual statutory external audit of its books of account for the financial year ended 31st December 2024. Thereafter, the contract is expected to be renewed for a further two years to cover the financial years ended 31st December 2025 and 31st December 2026. The external auditor shall be expected to maintain independence from ADS Western Ltd throughout the contracting period ensuring their integrity, objectivity and professional skepticism is not compromised.

SCOPE OF WORK

The objective of the audit is to provide reasonable assurance that the financial statements of ADS Western Ltd in all material aspects, reflect a true and fair view of the financial position, performance, and cash flows of the organization.

This fulfillment of the above objective will include but not limited to:

- 1) Conducting of the audit services in accordance with the International Financial Reporting Standards (IFRS) and International Standards of Auditing (ISAs).
- 2) Provision of an audit report that shall include an independent audit opinion on the financial statements of ADS Western Ltd.
- 3) Preparation of such other income and expenditure schedules as ADS Western Ltd shall deem necessary as constituting part of the annual report and financial statements.



- 4) Assessment of the ADS Western Ltd's compliance to provisions of applicable laws, institutional policies, contracts, partner agreements and relevant regulatory authorities.
- 5) Evaluation of the multiple sources of income to ascertain that the financial statements fairly present the income received, costs incurred, assets purchased, and in-kind donations and technical assistance received for each source of income during the applicable financial year.
- 6) Review of the appropriateness, adequacy, and operational effectiveness of the internal control systems of ADS Western Ltd and highlight any deficiencies.
- 7) Provision of an audit management letter setting out findings, implications and recommendations for improvements whilst accommodating management comments and conducting follow up of status of implementation of prior year audit recommendations and corrective action plans.
- 8) Provision of assurances and any additional information as shall be requested by the board of governors to enable them prepare any annual reports and comply with other statutory regulations.

ELIGIBILITY CRITERIA

Bidding firms will be required to meet the following criteria:

1. Be registered with the Institute of Certified Public Accountants of Kenya (ICPAK) and its partners must hold a current Practicing Certificate.
2. Have a minimum of three partners, all partners must be in good standing with ICPAK, while the Firm and its Partners should not have been subject to any disciplinary action by ICPAK or other related professional bodies.
3. Should have been in operation for a period of at least ten years.
4. Should demonstrate that it has the capacity, capability and experience required to undertake the audit within required timelines taking note of statutory timelines such as annual returns.
5. The firm should demonstrate experience auditing different organizations from different sectors of the economy and Not for Profit organizations with multiple financing mechanisms and sources including but not limited to restricted and unrestricted funds.
6. The audit firm and its staff should be independent of ADS Western Ltd and this independence will be required to be subsequently affirmed in the engagement letter.

DELIVERABLES

The expected deliverables from the external audit engagement shall be:

- i. Audited financial statements including an audit report reflecting opinion on whether the financial statements reflect a true and fair view of the financial position of ADS Western Ltd.
- ii. Post Audit letter with audit findings the auditor deems necessary for management action
- iii. Schedule of funds movements

The above deliverables shall be presented in the English language and in Kenya Shillings.

HOW TO APPLY

SUBMISSION GUIDELINES

The proposal for provision of external audit services shall include a technical proposal and a financial proposal.

The technical proposal shall have a maximum of 25 pages excluding the statutory requirements which shall be separate attachments. The technical proposal shall at a minimum set out the proposed methodology and workplan of the proposed audit services.

The following are statutory attachments that must be submitted:

- i. Audit firm certificate of registration
- ii. PIN Certificate
- iii. Valid tax compliance Certificate
- iv. Valid ICPAK practicing license for the audit firm and for at least three partners of the audit firm
- v. Most recent Certificate of good standing with the Institute of Certified Public Accountants Kenya.
- vi. Signed declaration of accuracy and authenticity of the information provided in the proposal submitted.
- vii. Signed Anti-fraud and anti- corruption practices declaration.
- viii. Signed declaration of independence of the audit firm i.e., lack of conflict of interest between ADS Western Ltd and the audit firm and its staff.



ix. In addition to the statutory attachments above, eligible audit firms are requested to provide at least 5 references of similar audit engagements performed for nonprofit organizations, faith based nonprofit organizations, other religious institutions as well as those of profit making companies in the last 7 years.

x. Eligible audit firms are also required to demonstrate staffing capacity to undertake this audit engagement through provision of detailed CVs of proposed audit team.

xi. The financial proposal shall set out the proposed fees for the provision of external audit services for the financial year ended 31st Dec 2024 and for the subsequent two years.

xii. The technical and financial proposals shall be submitted in sealed envelopes labelled EOI AUDIT SERVICES addressed to:

The Chief Executive Officer,

ADS Western Ltd,

P.O. Box 2830-50100,

Kakamega, Kenya

Or via email with the subject EOI AUDIT SERVICES-NAME OF FIRM to procurement@adswestern.org

The technical and financial proposals shall be deposited in the designated tender box at ADS Western Ltd office, Kakamega County on or before 4th February 2025 COB (Close of Business) 5pm.

A soft copy of the technical and financial proposals shall be submitted to the following email: procurement@adswestern.org on or before 4th February 2025 5:00 p.m. EAT.

Late submissions will not be accepted.

Only shortlisted audit firms shall be invited for interviews at ADS Western Ltd offices at a date to be communicated. For any questions, send an email to procurement@adswestern.org not later than 3 days to the timeline for submission of the proposals.