

## Request for Proposal (RFP)

### Ipas Nigeria Health Foundation Abuja

|                               |   |
|-------------------------------|---|
| REQUEST FOR PROPOSALS (RFP) # | <b>001-FY'24</b>  |
| SERVICES REQUIRED             | <b><i>Annual audit of Ipas Nigeria for the period from July 1, 2023 through June 30, 2024</i></b> |
| DATE OF ISSUANCE              | <b><i>April 5, 2024</i></b>   |
| OFFERS CLOSING DATE           | <b><i>April 19, 2024</i></b>  |
| CLOSING DATE FOR QUESTIONS    | <b><i>April 12, 2024</i></b>  |
| OFFERS BASIS                  | <b><i>Most competitive Technical and Cost proposals</i></b>                                       |

Ipas Nigeria is soliciting proposals for awarding a fixed-price contract to ***Conduct the annual audit of Ipas Nigeria Health Foundation*** as described in the Scope of Work in part C.

Please submit your most competitive proposal for the services described in the RFP in accordance with the following:

- PART A: Instructions to Applicants
- PART B: Terms and Conditions
- PART C: Scope of Work of this RFP

### **PART A: INSTRUCTIONS TO APPLICANTS**

#### **1- PROPOSAL DEADLINE**

Proposals must be received no later than **4.00 pm** local time, on the closing date. Late submissions will not be considered.

#### **2- PROPOSAL REQUIREMENTS**

The response to this RFP should include:

- a) An introduction to the firm/team of consultants, including its client base and previous experience in the field of the requested proposal (special focus on statutory audit of indigenous and international non-governmental organizations); availability and time for senior audit staff should be detailed.
- b) Analysis of Scope of Work (SOW) detailing understanding of the required tasks and proposed methodology. A proposed schedule with an audit starting on July 1, 2024, and completed no later than August 31st, 2024, must also be included.
- c) List of References and contact information
- d) Detailed budget with a breakdown including item descriptions, units (e.g., man-day), and unit costs.

#### **3- OFFERS' VALIDITY**

Your proposal must remain valid for a minimum of 90 days. Offers must be signed by an official authorized to bind the applicant to its provisions.

#### **4- QUESTIONS OF CLARIFICATION**

Interested companies should also direct any questions about the RFP in writing to the Senior Finance Advisor of Ipas Nigeria, through e-mail [lpasNigeria.Finance@ipas.org](mailto:lpasNigeria.Finance@ipas.org). All questions should be received in writing no later than **04.00 PM** on April 12, 2024. Written responses will be provided accordingly. Questions and responses will be delivered by e-mail.

#### **5- CRITERIA FOR SELECTION**

All proposals submitted in response to the RFP will be reviewed on the technical basis of the selection criteria detailed below (except cost). If required, scores will be revised based on answers received to questions during the final review process. Cost proposals will be reviewed after the technical review, and then scoring will be adjusted based on cost.

The proposals shall be evaluated according to the following criteria and weighting:

|  |            |
|--|------------|
| a) Institutional/Individual (staffing) capability and experience   | 25 points. |
| b) Audit approach & methodology- Sample size, understanding of ERP & system-based auditing, staff's capacity to review vouchers in ERP, etc. | 15 points. |
| c) Demonstrated understanding of the scope of work and acceptable schedule   | 15 points. |
| d) Previous work of a similar nature/References  | 20 points. |
| e) Cost  | 25 points. |

**Total 100 points**

### **PART B: TERMS AND CONDITIONS**

#### **1- NEGOTIATIONS**

The applicant's most competitive proposal is requested. It is anticipated that contracts will be awarded solely based on these proposals. However, Ipas reserves the right to conduct negotiations prior to awarding a contract.

#### **2- REJECTION OF OFFERS**

Ipas reserves the right to reject any and all offers received and/or to cancel any or all of the deliverables requested in this RFP.

#### **3- INCURRING COSTS**

Ipas is not liable for any cost incurred by applicants in connection with the preparation, submission and delivery of offers in response to this RFP.

#### **4- ACCEPTANCE OF CONDITIONS**

Ipas reserves the right to request additional information from applicants either in writing or verbally. Ipas may cancel this RFP without any cost or obligation at any time until certification of a contract. In the event an agreement cannot be reached with the awardee, Ipas reserves the right to award an alternate applicant.

## **5- CONTRACT AWARD**

Ipas will award the contract to the responsible and responsive applicant whose offer is determined to be the most advantageous based on technical responsiveness and cost.

Ipas intends to award a fixed-price contract for this activity.

## **6- CONFIDENTIALITY/OWNERSHIP.**

The Contractor (s) and his/her employees will not at any time, either during the term of the Contract or thereafter, divulge, furnish, or make available, either directly or indirectly, to any person, firm, corporation, or other entity, any proprietary information used by Ipas. The Contractor agrees that all such matters and information shall be kept strictly and absolutely confidential. The Contractor, upon cessation of the Contract, irrespective of the time, manner, or reason of terminations, will immediately surrender and deliver to Ipas all material and data of every kind belonging to Ipas. All manuals or other products as a result of this activity shall remain under the ownership of Ipas.

## **PART C: SCOPE OF WORK**

This Scope of Work is intended to define the background, audit scope, objectives, accounting standards, and methodology of external audit and reporting requirements.

### **Background**

Ipas Nigeria Health Foundation is a non-profit organization focusing on reducing the mortality and morbidity of women and girls in Nigeria due to lack of access to reproductive health services. Ipas Nigeria Health Foundation supports Government of Country office's effort to reduce maternal mortality and improve reproductive health and well-being of women and girls, by working to strengthen the health system in close collaboration with MOH and also other government agencies/institutions and to engage community through health education and campaign in collaboration with other local Civil Society Organizations.

For the fiscal year report 2024, Ipas Nigeria needs to conduct an audit for its financial report.

### **Scope**

The audit should address the accounting and financial documents of:

1. Accounting books and records.
2. All internal control processes and highlight risk areas.
3. Project Management and Reporting Procedures.

### **Objectives**

The main objective of the audit is to provide a true and fair judgment of the expenditure incurred and financial practices adopted by Ipas Nigeria Health Foundation for its yearly budget. The audit must ascertain whether:

- Expenses are adequately supported by original/approved copy proofs and have been properly accounted for;
- Expenses have been incurred during the audited period.
- Supporting documents attached to payment vouchers are adequately prepared, authorized, and present proof of purchase.
- For project assets, proof of existence is required via spotting a project asset register and spotting an asset.
- For salaries, employment contracts agree to the salaries charged.
- Identify any deficiencies in the internal control structure.
- Expenses reported by the implementing partners have all the supporting documents adequately prepared and authorized and are in accordance with the partnering agreement. (This can be done by random selection of a few partners)

### **Auditing Standards and Methodology**

The audit shall be carried out in accordance with the International Financial Reporting Standards on Auditing and Nigerian regulations.

Accordingly, we request that the audit engagement be planned and performed so that the following information is made available to Ipas USA external auditors:

### **Reporting**

The auditors shall provide Ipas Nigeria Health Foundation:

1. Audit report with auditor's opinion that the financial statements are consistent with the relevant financial regulation and relevant documentation substantiates expenditures. The auditor shall also provide Ipas a draft preliminary report of their findings including an opinion. These findings are to be reviewed by the two parties and the Chief Financial Officer (CFO) Ipas, NC, before the final report is completed. A final management report, including a list of recommendations, will then be made available to the management of Ipas Nigeria Health Foundation and its affiliate, Ipas. The final report must achieve the objectives set out in this scope of work. For each recommendation made by the auditor, the final report should include the comments made by Ipas Nigeria Health Foundation.

If expenditures that are not justified are found, the auditors must accompany their audit opinion with a declaration specifying the reasons and amounts for recovery.

2. A management letter addressing the following issues:
  - o Irregularities or fraud identified (eg. Private use of funds and forged documentation);
  - o Any problems relevant to the financial monitoring of projects.
  - o Other aspects considered worthy.

Reports are to be written in English.

A reference from our affiliate Ipas for the reporting requirements is attached in Annex 1.

**Office/Locations for audit:**

1. Financial documents are kept in the Ipas Nigeria Health Foundation country office.
2. Subcontractors as implementation partners are in:
  - a. Oyo State
  - b. Benue State
  - c. Abuja

**Audit Schedule:**

| SL No. | Description  | Date                         |
|--------|--|------------------------------|
| 1      | Bidding and Selection  | April 2024                   |
| 2      | Due diligence/formalities by the incoming new auditor                          | May 2024                     |
| 3      | Preparation of Engagement Letter for External Annual Consolidated Audit (FY24) | June 2024                    |
| 4      | Annual consolidated Audit process & Fieldwork FY'24                            | July 1, 2024 - July 31, 2024 |
| 5      | FY24 Consolidated Audit & Management Letter (Draft Report)                     | August 15, 2024              |
| 6      | FY24 Consolidated Audit & Management Letter- Final Report                      | August 31, 2024              |

### **Auditor Qualification:**

- The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited or those of its implementing/supervising agency or directly related entities. 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 entity. 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 provide a letter of independence to the Ipas Global auditor as per their requirement.
- The auditor should be experienced in applying either ISA audit standards or audit standards of the Country Office (IFRS), whichever is applicable for this audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with the applicable audit 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 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. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.

### **Annex 1: Ipas Requirements**

1. **A complete set of financial statements. The financial statements must be presented in the country's local currency.**

The complete set of financial statements must include the following at a minimum:

- Opinion on the basic financial statements taken as a whole (while we would like all statements to be prepared in accordance with U.S. Generally Accepted Accounting principles, we understand that there may be countries where different standards may be applied such as International Standards or local country standards. Please note that in those cases, we may need additional information).
- Statement of financial position (balance sheet) as of June 30, 2024 (please provide a breakdown of all types of accrued employee benefits).
- Statement of activities and change in net assets (statement of revenue and expenses and changes in fund balances) for the year ended June 30, 2024.
- Statement of cash flows for the year ended June 30, 2024.
- All appropriate notes to the financial statements (include in the respective footnotes a reconciliation of any amounts due from (to) Ipas).
- Our Global auditor will provide a materiality level in our independence letter that we would like you to adhere to when conducting the annual audit; however, should your internal policies require that you use a lower materiality figure, please use the lower amount, and provide that figure.

2. A management letter that discusses any deficiencies in the internal control structure you may have observed during your audit test work. In addition, if applicable, please also include in the management letter the prior year's comments and the current year's status of each comment.
3. Based on the knowledge obtained during the performance of your work, please advise of any related parties as they become known to you and of transactions with related parties. The primary audit objectives with respect to related party transactions are to:
  - Determine the existence of related parties and identify transactions with them.
  - Obtain an understanding of related party relationships and transactions sufficient to identify and assess the risk of material misstatement with respect to the field office's financial statements.
  - Examine and identify the total amount of related party transactions and
  - Determine the adequacy of disclosure.
4. Please notify any significant risks of material misstatement of the financial statements due to fraud or error identified during your fieldwork and your responses to such risks, if any as soon as they were identified.
5. Information on instances of noncompliance with laws or regulations at the Ipas office that could give rise to a material misstatement of the Ipas Country office financial statements.
6. A summary of the corrected and uncorrected misstatements with respect to the financial statements on which you are opining.
7. Please notify us of any possible management bias with respect to accounting estimates and the application of accounting principles.
8. Please perform subsequent events procedures from July 1, 2024, to the date upon which your report is approved to be issued final and advise of any subsequent events that may require adjustment to, or disclosure in, the financial statements.
9. While we understand that your audit will be performed in accordance with International Financial Reporting Standards on Auditing and Nigerian regulations based upon the assessment of the significant risks that may cause material misstatement at the consolidated financial statement level, Ipas USA external auditors have identified the following areas (outlined in blue below) in which we would like you to perform additional procedures over.
  - *Randomly select sample expenditures and perform control work. As part of the control test work over disbursements, please review the supporting documents to ensure compliance with Ipas policies and procedures.*
  - *Please review in detail all the internal control policies and procedures with respect to the procurement process at Ipas. Select several transactions (minimum of 10) requiring procurement and perform a compliance test for each sample.*
  - *Where applicable, please review in detail all contract and sub-contract expenses in excess of materiality determined for individual transactions. Your review should include*

*examining original contracts, the procurement process, and Ipas's oversight/monitoring of contractors/consultants.*

- Please review in detail all travel-related transactions that were posted to the general ledger and examine those individual material items for compliance with stated policies. In addition, all travel-related transactions should document the purpose of the travel and include all original receipts (for air travel supported by electronic tickets, please ensure a copy of the original itinerary is available for inspection).*
- As part of your audit work over accounts payable, please perform a search for unrecorded liabilities as of June 30, 2024. The search should be predicated on the materiality level which I will provide. As part of the search for unrecorded liabilities, please also provide us (and management) with the proposed entry to record any additional liabilities as of June 30, 2024.*
- Please disclose all lawsuits against Ipas, regardless of materiality. Please also disclose the status of such lawsuits, if any.*
- Should any fraudulent activity be discovered or known during the audit process, please inform us as soon as possible, regardless of the amount.*
- Where applicable, please disclose any changes in financial reporting due either as a result of regulatory requirements or business/reporting practices.*
- Please review the country office's compliance with the local labor law in terms of tax obligation (payroll tax, VAT, and any other applicable tax in the country office) and ensure all taxes and other dues to the local government are consistently paid on time.*
- Review all employees' benefits (leave, severance, and other applicable benefits) and ensure the calculation is done correctly and provisions for these obligations are properly recorded on Ipas books.*
- Review all balance sheet reconciliations and ensure each account is fully reconciled with a supporting schedule as of June 30, 2024.*
- Review and confirm all wire transfers received by the country office from the NC office for the period of July 1, 2023, through June 30, 2024.*
- Review employees' individual files and ensure each employee has a valid employment contract with Ipas in compliance with the country's local labor law.*
- Review the inventory record and, if applicable, visit all Ipas warehouses in the country offices to verify management's procedures and year-end counts. Please also verify and provide comments on the adequacy of storage and stock level per warehouse.*
- Review the list of Ipas consultants for the country office and determine if Ipas is in compliance with the country office law in terms of consultants, ensuring Ipas is in compliance with the maximum length of years, they can keep someone as a consultant before ending their contract or hiring them as staff.*
- Review with the banks at the country office level to get an independent confirmation of each bank balance as of June 30, 2024, along with a complete list of all Ipas bank accounts and full names of bank signatories for each bank account.*
- Where applicable, if the Ipas country office is disbursing cash to participants at workshops, please review all the controls around the safeguarding and distribution of cash, and please examine the underlying documentation to ensure the participants were paid the proper amounts.*



## **Deliverables**

- Engagement Letter for External annual consolidated Audit (FY24) by June 30, 2024.
- A letter of independence to the Ipas Global Auditor and disclosure of materiality threshold to the Ipas Global Auditor by July 15, 2024.
- Draft audit reports and management letter (complete package) by August 15, 2024.
- Upon approval by the management of the Ipas USA office, the Global auditor, and the management of Ipas Nigeria Health Foundation, final reports should be issued by August 31, 2024.