

REQUEST FOR PROPOSALS (RFPs)

THE ENGAGEMENT OF EXTERNAL AUDITORS AND TAX CONSULTANCY

ISSUED BY: GLOBAL ALLIANCE FOR IMPROVED NUTRITION (GAIN)

PROJECT DURATION: EXTERNAL AUDIT JULY 22, 2024 – AUGUST 23, 2024; TAX CONSULTANCY: 1 YEAR

May 2024

GAIN Nigeria

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I. Background

The Global Alliance for Improved Nutrition (GAIN) is an alliance driven by the vision of a world without malnutrition. Created in 2002 at a Special Session of the UN General Assembly on Children, GAIN supports public-private partnerships to increase access to the missing nutrients in diets necessary for people, communities, and economies to be stronger and healthier. For further details on GAIN's work please refer to the website: <http://www.gainhealth.org>.

GAIN is seeking proposals to perform an external audit of the annual financial statements; our financial year ends on 30th June every year. The renewal of the audit engagement will be contingent upon the yearly confirmation of satisfactory service provided. GAIN operates an accrual-based accounting system and uses NAVISION accounting software for recording of its financial data for operational activities. The Nigeria country office maintains Delegation of Authority Schedule, which shows respective budget holders authorized to sign off the requisition, expenditures, etc. up to a specific threshold limit.

II. Objectives

External Audit:

The objectives of the external audit service are to provide an independent and objective assessment of the financial statements of the GAIN Nigeria. GAIN Nigeria aims to engage this service for a duration of up to three years. The auditors will express an independent professional opinion as to whether the financial statements present fairly, in all material aspects, the financial position of GAIN Nigeria in accordance with the International Financial Reporting Standards (IFRSs). The audit will be carried out in accordance with the International Standards on Auditing (ISAs).

The audit will also evaluate internal controls and provide recommendations for improvement.

Tax Consultancy:

The tax consultancy, as a distinct assignment, aims to establish effective communication with FIRS to obtain Tax Clearance Certificates (TCC) for staff on an annual basis. Additionally, it involves filing tax returns with the Medium Tax Office (MTO) each year for GAIN Nigeria, acquiring the company's TCC, and offering guidance and information on tax matters to ensure compliance with governmental regulations.

III. Audit Approach

The external audit service will include the following key activities:

Planning: Conduct preliminary risk assessment, understand business operations, and develop an audit plan.

Fieldwork: Perform substantive testing, analytical procedures, and other audit procedures to obtain sufficient and appropriate audit evidence.

Reporting: Prepare audit reports, including the auditor's opinion on the financial statements and any findings or recommendations.

Special attention should be paid to:

- The budgetary procedures (establishing forecasts by activity/task or Output, conformity with the Annual Work plan forecasts, budgetary approvals and work plans by the responsible agent, budgetary amendments during the audit period, etc.)
- The management procedures of the funds (bank account, advances supported by forecasts and in conformity with GAIN Nigeria's policy, petty cash safekeeping, bank reconciliation, control of receipts, etc.)
- The financial aspects of personnel management (employee contracts, remuneration of salaries, allowances and other benefits, deductions at source according to regulations currently in force, remittances made to the proper authorities including Income Tax, annual personnel evaluations/appraisals, etc.) (NOTE: Verify that allowances have been paid in conformity to regulations and/or GAIN Nigeria policy)
- The procedures for the hiring and payment of consultants (approval of selection and contracts by the proper authorities, contracts properly written with appropriate financial control over payments of fees and expenses including appropriate certification that the work was performed satisfactorily before a payment is made)
- The financial aspects of procurement (purchase orders, appropriate certification that the goods have been delivered in satisfactory condition before a payment is made)
- The procedures on the control of expenses (complete documentation, certification that the goods have been received or services rendered, issuance of check in the name of the supplier stipulated in the contracts/purchase orders, proper signatories, bank accounts, etc.)
- The procedures on inventory control of non-renewable stock (replacement parts, etc.) and assets (catalogued/inventoried on a regular basis, identification by serial number or other means, condition of the inventory, location, etc.)
- The policy for, and control of, the use of vehicles and fuel as implemented by the Country office; and
- the procedure and recovery mechanism for staff advances.
- The reporting mechanisms (financial and quarterly progress reports, explanation of variances, etc.).

IV. Deliverables

The External audit service will deliver the following key deliverables as specified in the ToR:

- Audit Report
- Management Report

The Tax consultancy will deliver the following key deliverables as specified in the ToR

- Obtain Tax Clearance Certificate for staff and organization.
- Provide information and advice on issues relating to tax to ensure compliance with government regulations.
- Support with any tax audits initiated by (Federal) Inland Revenue Service.

Audit report:

- Examine on test basis that appropriateness of supporting documents, records, and books of accounts relating to all activities in support of the examination of the Annual Financial Statements according to the ISAs and IFRS.
- Audit Opinion
- Statement on audit Independence
- Preparation and presentation of an audit report and other matters arising from the audit for presentation to the Management.
- Comments and observations on the accounting records, systems and controls that were examined during audit.

Management letter:

- This should report on the key internal control issues arising, key risks (e.g.: fraud, cash misappropriations) and implications for the local office and impact on GAIN resulting from the external auditor review of the system of internal control and compliance with GAIN's policies and procedures; and relevant local regulations.
- Specific deficiencies and areas of weakness in systems and controls and recommendations for improvement.
- The external auditor should priorities and grade the recommendations made into High, Medium and Low-risk categories in the management letter and include the local management response as to action taken or intended to be taken to address the recommendations made and an agreed time scale for their implementation.

V. Proposals for Tender:

Shortlisted firms are invited to submit a written proposal for the external financial audit.

The written proposal should outline:

- Firm background.
- Biographical information (resumes) of key firm members who will serve GAIN.
- Client references.
- Information about the firm's capabilities.
- Firm's approach to performing an audit (proposed methodology)
- Other resources available with the firm.
- Expected timing and completion of the audit.
- Expected delivery of reports.
- Cost estimate including estimated number of hours per staff member.
- Rate per hour for each member of audit staff.
- Cost for Tax Consultancy Service
- Other information as appropriate

VI. Reporting and Communication:

- The audit process will be managed by the Head of operations and work closely with the Finance manager.

- The auditor will meet with the GAIN Nigeria Country Director or his/her designate and the Head of Operation to gain an appreciation of any specific concerns or risks with the financial management.
- The auditor will get management's feedback/response to the draft management letter.
- The auditors also should provide regular feedback to the GAIN Country Director on the progress of the audit and any significant findings.
- At the end of the audit, debrief the GAIN Nigeria Country Director or his/her designate and the Country Management Team at the Country Office.

VII. Reporting schedule:

The external audit service will be conducted within the agreed timeline, with key milestones as follows:

Activity	Estimated time
Issue Request for proposals	21 th May 2024
Deadline for Submission of proposals	30 th May 2024
Decision on appointment of Auditors	10 th June 2024
Planning Phase	July 22 nd – 26 th 2024
Fieldwork phase	July 29 th – August 16 th 2024
Reporting phase	August 19 th - 23 rd 2024

VIII. Confidentiality:

The audit firm will maintain strict confidentiality of all information obtained during the audit process and will not disclose any confidential information without prior consent from the Global Alliance for Improved Nutrition.

IX. Payment Terms:

The payment will be agreed upon in a separate agreement between the GAIN and the Audit firm and will include a payment structure of 40% payment upon commencement of the contract, 30% at Midpoint and 30% at the close of the contract. Note that payments are subject to the applicable withholding tax (WHT) rates.

X. Evaluation and Termination:

The organization reserves the right to evaluate the performance of the audit firm and terminate the engagement if the services provided do not meet the agreed-upon standards or if there is a breach of contract.

XI. Governing Law:

This term of reference shall be governed by and construed in accordance with the laws of The Federal Republic of Nigeria and any disputes arising out of or in connection with this agreement shall be subject to the exclusive jurisdiction of the courts.