



REQUEST FOR PROPOSALS EXTERNAL AUDIT SERVICES

1. BACKGROUND

The Zambia Research and Education Network (ZAMREN) is a specialised Internet Service Provider (ISP) dedicated to supporting the needs of the research and education communities in Zambia. ZAMREN is an association for academic and research institutions which was founded in 2007, under the Registrar of Societies as a not-for-profit organisation and later on 27th January, 2016 as a Company Limited by Guarantee under PACRA, Registration Number 120160000628.

The main role of ZAMREN as outlined in the Articles of Association is to provide an inter-institutional connectivity in terms of a National Research and Education Network (NREN), and to connect it to the Regional Research and Education Network (RREN) in Eastern, Central and Southern Africa, UbuntuNet Alliance, thereby extending ZAMREN to other National Research and Education Networks in Africa and to the rest of the World.

The objectives of ZAMREN are to:

- i. Secure cost effective broadband connectivity to; all member institutions (inter-institutional connectivity), dedicated global research and education resources (Regional networks) and the internet;
- ii. Share their education resources via this dedicated infrastructure of ZAMREN; and
- iii. Provide Advanced ICT services to its member institutions.

There are four categories of institutional membership. These include the following:-

- i. Education and Research Institutions
- ii. Anchor Institutions
- iii. Communities of Practice

1.1 General Functions of a National Research and Education Network

A National Research and Education Network (NREN) is a specialised ICT Service Provider that exists in a country to provide Internet and Advanced ICT services to the country's research and educational institutions on a non-profit basis. Bona-fide NRENS enjoy recognition within their own countries and within the body of NRENS worldwide. This recognition enables them to enter into special inter-connection agreements with other NRENS worldwide, usually through the mediation of Regional Research and

Education Networks.

NRENs in Europe are the role models for collaborative networking between and for universities and research institutions of Africa. Most European NRENs receive substantial funding from their national governments. A few are government bodies, but most are structured as non-governmental associations of member institutions, with government officials participating in, but not controlling the governance process.

2. OBJECTIVE OF THE EXTERNAL AUDIT

The objective of the external audit is to express a professional opinion on the Financial Statements of ZAMREN. These Financial statements, among others, consist of the income and expenditure account, statement of financial position, statement of cash flows, and statement of changes in funds. Bidders will not be required to express an opinion on the internal controls, however, they will be required to comment on the soundness of the internal systems of controls and whether these have been put in effect. Bidders will also be required to comment on whether the internal controls comply with the ZAMREN's policies and procedures.

3. AUDITING STANDARDS

The external audit should be carried out in accordance with International Standards of Auditing (ISAs) which are issued by the International Federation of Accountants (IFAC) and includes such tests and auditing procedures, as the auditor considers necessary for the assignment.

4. SCOPE OF WORK

4.1 The scope of work address audit requirement for the audit of financial statements of the ZAMREN covering period 1st January – 31st December of each year;

4.2 The audits should be carried out in accordance with International Standards of Auditing (ISA) and International Financial Reporting Standard (IFRS).

4.3 Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of financial statement.

4.4 The audit report of the auditors should state if the audit was not in conformity with any of the above standards, and that the financial and accounting procedures approved for the organization (e.g. operational manual, financial procedures manual, etc.) were followed and used.

4.5 With the approval of the Audit Committee, the External Auditor may perform the following services for the Organisation:

- i. Tax advice and reviews.
- ii. Due diligence for any Mergers and Acquisitions (M&A) transactions that the Organisation may be associated with.

- iii. Other professional services that are not expressly prohibited and will enable the External Auditor to maintain factual and perceived independence.

5. DELIVERABLES

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

6. AUDITORS EXPERIENCE AND QUALIFICATIONS

6.1 The audit firm should have a valid license from the Zambia Institute of Chartered Accountants, a valid tax certificate and valid practicing certificates for the partners.

6.1.1 The key audit team will comprise, at least:

- i. A partner with at least 10 years of experience in auditing in similar business as ZAMREN. In addition, he/she should be a member of the Zambia Institute of Chartered Accountants;
- iii A manager with at least ACCA, CA Zambia, CIMA and/or a degree in accounting with a minimum of 5 years’ experience in auditing; and
- iiii A senior with at least a minimum of 3 years’ professional experience in auditing.
- iiii The key audit team:
 - a) Shall be completely impartial and independent from all aspects of management or financial interests of the organization; and
 - b) Shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as advisers or mentors for, or have any financial or business relationships with ZAMREN.

7. BASIS OF AWARD

A formal contract of engagement specifying the scope of audit shall be prepared and signed between ZAMREN and the Audit firm prior to the beginning of the assignment. The contract of engagement shall also clearly spell out the responsibilities of the two Parties. ZAMREN will award a contract to the most economically advantageous tender based on the following criteria:

Criteria for Overall Technical Evaluation

Assessment criteria	Weighting (%)
Understanding of the Audit Requirements	10
Specific experience of the firm related to the assignment	20
Adequacy of the proposed work plan and methodology in responding to the TOR	30
Qualifications of the Proposed audit Team	30
Engagement Partner	
Audit Manager	
Audit Senior	
Audit Assistant(s)	
Fee basis and total costs	10
Total	100

ZAMREN does not bind itself to accept any bid or the lowest bid

8. PAYMENT METHOD

The method of payment shall be 50% down payment upon engagement and 50% after delivery of the full and signed copies of the audit.

9. PRICING

- 1) All prices MUST be indicated in Zambian Kwacha
- 2) There will be no price variation after signing of contract
- 3) Prices must be inclusive of all taxes within Zambia

10. VALIDITY OF THE BID

The Bid shall be valid for a period of 90 days after the closing date of this tender.

11. AMENDMENTS OF THE PROPOSAL DOCUMENTS

At any time prior to the deadline for submission of Bids, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the Proposal Documents by issuing an addendum. All addenda shall be communicated to all Bidders. All Proposers wishing to be notified of any addenda should provide to ZAMREN the proposer's name and email address. To afford prospective Bidders reasonable time in which to take amendments into account in preparing their offers, ZAMREN may, at its discretion, extend the deadline for the submission of proposals.

12. FORMAT AND SEALING OF BIDS

The Bidder shall submit the proposal (no more than ten pages) in ONE EXTERNAL ENVELOPE CONTAINING INSIDE TWO SEALED ENVELOPES by the closing date set forth in point 13 below to the following address: ZAMREN, University of Zambia, Great East Road Campus, School of Education, First Floor West Wing, and P.O. Box 32379, LUSAKA. The outer envelope should be clearly marked in the topright-handcorner "EXTERNAL AUDIT SERVICES" DO NOT OPEN BEFORE Monday 08 June 2020 at 15.00 Hours Lusaka time.

NOTE: If the envelopes are not sealed and marked as per the instructions in this clause, ZAMREN will not assume responsibility for the proposal's misplacement or premature opening and may, at its discretion reject the proposal. This first internal sealed envelope, which will be clearly marked "TECHNICAL PROPOSAL" must contain three (3) hard copies of the technical proposal with one marked 'original' and the others marked 'copy'. The second internal envelope, which will be clearly marked "FINANCIAL PROPOSAL", should contain three hard copies (3) with one marked "original" and the others "copy". The envelope containing the financial proposal will ONLY be opened if the technical offer attains the pass score of seventy percent (70%). In the event of any discrepancy between the original and the copy, the original shall govern.

13. DEADLINE FOR SUBMISSION OF THE PROPOSALS

The deadline for the submission of proposals is Monday 08 June 2020 at 15:00 Hours Lusaka time (GMT +2).

Note: Late Tenders - Any Tender received by ZAMREN after the deadline for submission of Bids shall be rejected. There shall be no exception to this requirement.

14. EVALUATION AND COMPARISON OF PROPOSALS

To assist in the examination, evaluation and comparison of Bids, ZAMREN may ask the Bidder for clarification of its Bid. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted. ZAMREN will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order. Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Bidder does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail. Prior to the detailed evaluation, the Procurement Committee will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. ZAMREN's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence. A Proposal determined as not substantially responsive will be rejected by the ZAMREN and may not subsequently be made responsive by the Bidder by correction of the non-conformity. The bids will be evaluated as follows;-The envelopes containing the sealed technical and financial offers will be opened.-The envelope marked "TECHNICAL PROPOSAL" will be opened and the technical proposal will be evaluated.-If the technical proposal is evaluated as 70 percent or above, the envelope marked "FINANCIAL PROPOSAL" will be opened. If the Bidder that has offered what is adjudged to be the best technical and financial offer, the Bidder will be offered the contract.-If the Bidder that offered what was adjudged to be the best technical and financial offer declines to accept the offer, then the Bidder that is adjudged to have offered the second best technical and financial offer will be offered the contract. ZAMREN does not bind itself to accept any bid or the lowest bid.

15. TECHNICAL QUERIES

For any technical queries related to specifications of work or TOR, kindly send your queries to the following email: bids@zamren.zm. The deadline for submitting queries is Friday 5 June 2020.

16. BID SUBMISSION

Bidders are advised to include in their bids the following standard forms as annexures:

- a) Company Profile
- b) Bidder's references;
- b) Comments and suggestions on the Scope of Work;

- c) Description of the methodology for performing the assignment;
- d) Team Composition and Tasks assignment; and
- e) Proposed fees.