



## **AIFO - Associazione Italiana Amici di Raoul Follereau**

### **Request for Proposal for: Financial Audit Services**

**RFP/AIFO/ FAS-001/2021**

**Date: April 1, 2021**

AIFO is an International NGO with headquarters in Bologna, Italy, focusing in the field of international health cooperation and disability since 1961. AIFO began its Liberia's operation since 1997. AIFO Liberia's mission is the promotion of disability rights, building the capacity of local Disabled People Organizations (DPOs) and on fostering economic independence for People with Disabilities (PWDs).

#### **I. INTRODUCTION:**

##### **Generation Information**

AIFO is requesting proposals (RFP) from qualified licensed LICPA firms to perform a professional auditing services to audit its financial statements for:

1. the financial year ended December 31, 2020 (to begin this April), and
2. its SIDA funded Coordinated Action on Disability (CAD-L) inception phase project for 01 January 2020 to 31 May 2021 (to start in June, 2021).

The contract may be canceled if AIFO determines the audit services to be unsatisfactory.

These audits are to be performed in accordance with auditing standards generally accepted and by international best practice. There is no expressed or implied obligation for AIFO to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Additionally, AIFO reserves the right to reject any or all proposals submitted. AIFO reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between AIFO and the firm selected.

To be considered, please submit a hard copy of your proposal between the opening date April 1 up to the closing date April 9, 2021 at 5:00 p.m. on Friday.

Proposals that are received after the due date and time will not be considered.

Your proposals must be properly sealed in an envelope and labelled as follow:

## **LIONEL SIEH WILLIAMS**

Accountant

AIFO Liberia

19<sup>th</sup> Street Sinkor & Payne Avenue, Beach Side, Monrovia, Liberia

Cell N0s: (+231)-886-322-745 / 775-250-257

The envelope must be marked “**Financial Audit Services Proposal**”. An electronic-copy of the proposal can also be sent to [lionel.williams@aifo.it](mailto:lionel.williams@aifo.it) and in copy to [melany.oey@aifo.it](mailto:melany.oey@aifo.it), [silvia.poggioli@aifo.it](mailto:silvia.poggioli@aifo.it).

## **II. BACKGROUND INFORMATION**

It is the intent of AIFO to contract for the services presented herein for the engagements time frame. AIFO reserves the right to extend the term of this contract as may deemed necessary subject to the satisfactory negotiation of terms, including a price acceptable to both AIFO and the selected firm (“External Auditor”). The proposal package shall present all-inclusive audit fees for the contract term.

Fees shall include costs necessary to start and complete the audits per the scope mentioned. An itemized cost break down shall be submitted for the Principal and any additional staff. AIFO requires the total costs be stated as a “not to exceed” basis. The “not to exceed” fee shall be inclusive of labor, transportation, report preparation, printing, and all other expenses incurred by the Outside Auditor.

Fees shall be billed based on work completed. Payments will be made upon completion of the audit and upon receipt of invoice. AIFO shall reimburse the External Auditor as promptly as practical after receipt of acceptable invoice which detail the expenses and the period for which payment is requested.

- Prior Auditor: PWC (Risk Assessment Procedure in 2018)

## **III. NATURE OF SERVICES REQUIRED:**

- A. Scope of Work: Prepare annual financial statement and compliance audits for 1. AIFO’s fiscal year ended December 2020 which starts this April, and 2. Coordinated Action on Disability in Liberia (CAD-L) inception phase audit for 01 January 2020 to 31 May 2021, to begin in June.

The audit will include the following:

- Preparation and submission of Financial Transactions Report for AIFO Liberia, and CAD-L for the periods mentioned.
- Report on compliance over financial reporting based on an audit of financial statements performed in accordance with the rules and regulations of AIFO Financial Manual and best practice. AIFO desires the firm to audit all funds of the agency (December 31, 2020) in accordance with auditing standards generally accepted and to audit in June 2021 the CAD-L inception phase financials for the period 01 January 2020 to 31 May 2021 as submitted to SIDA and to express an audit opinion according to ISA 800/805 on whether the financial report of the Inception Phase Coordinated Action on Disability in Liberia (CAD-L) is in accordance

with SIDA's instruction for financial reporting as stipulated in the agreement including appendix between SIDA and Cooperation partner.

### **Additional Requirements:**

The selected External Auditor will be required to complete the following tasks in relationship to the Basic Financial Statements:

1. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of AIFO and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
2. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with Auditing Standards.
3. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
4. Prepare report to AIFO's management that identifies control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
5. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the AIFO's Country Director and management.
6. Retain an External Auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by the Country Director of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the Country Director and successor External Auditors and allow her and successor External Auditors to review working papers relating to matters of continuing accounting significance.
7. Provide general consultation as required, during the year, on financial reporting matters.

### **IV. TIMING AND OTHER REQUIREMENTS:**

#### **Key Dates for Proposal Evaluation, Selection, and Field Work:**

- a. Thursday, April 1, 2021 RFP issued b. Friday, April 9, 2021 Proposals closing date c. Monday, April 12, 2021 Opening of proposals/selection of responsive respondent/AIFO's approval of proposal/signing of contract.

#### **AIFO General Audit:**

- The External Auditor shall provide AIFO with an audit plan, including a list of schedules and other work requested.

- Depending on the type and extent of audit procedures, AIFO expects to have all records, prepared by client lists and schedules ready and would expect field work to commence no later than April 13, 2021.
- The External Auditor shall complete field work in time to allow preparation of the draft financial statements and discussion of the draft statements with AIFO staff by April 26, 2021.
- A draft of the management letter shall also be provided by April 27, 2021. AIFO staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.
- Final Draft Report: 1. The AIFO Liberia General Audit Report to AIFO Management is required to be submitted by April 27, 2021 to enable management to respond and present the Report with management's responses to AIFO HQ.

#### **CAD-L Inception Phase Audit:**

- The External Auditor shall provide AIFO with an audit plan, including a list of schedules and other work requested.
- Depending on the type and extent of audit procedures, AIFO expects to have all records, prepared by client lists and schedules ready and would expect field work to commence no later than June 7, 2021.
- The External Auditor shall complete field work in time to allow preparation of the draft financial statements and discussion of the draft statements with AIFO staff by June, 18, 2021.
- A draft of the management letter shall also be provided by June 23, 2021. AIFO staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.
- Final Draft Report: 1. The CAD-L Audit Report to AIFO Management is required to be submitted by June 25, 2021 to enable management to respond and present the Report with management's responses to SIDA.
- The final audited financial statements shall be issued in electronic format (pdf) and hard copy.

#### **Assistance to be provided to the Extender Auditors**

AIFO finance department staff will be available during interim and audit field work to assist the firm by providing access and direction to information, documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence. AIFO will provide the Extender Auditors with reasonable workspace access and copy machine.

## **Additional Services**

If it should become necessary for AIFO to request the Extender Auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between AIFO and the Extender Auditor. Any such additional work agreed to between AIFO and the Extender Auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the Proposal Data Sheet and the contents of the Technical Proposal.

## **Payment**

Progress payments will be made on work completed during the course of the engagement.

## **Proposal Requirements**

### **A. Format of both Technical and financial Proposals**

**1. Title page** a) the RFP subject, b) the proposing firm's name, c) contact person's name, local address, telephone number, and email address. If the firm has more than one office, state which office will be responsible for providing services to AIFO, and d) the date of submission.

**2. Table of Contents** a) identification of material submitted, by section and page number, and b) cross reference to section and page number of RFP.

**3. Transmittal Letter** a) general introduction stating the proposer's understanding of the services to be provided, b) a positive commitment to perform the service within the time period specified, c) a statement why the firm believes itself to be best qualified to perform the engagement, d) a statement of how long you have been in business and how many financial audits were performed by your firm for public and private agencies during the past five (4) years, e) a statement that the proposal is a firm and irrevocable offer for the stated period of time, f) name(s) of person(s) authorized to represent the proposer, title, address, telephone number, email address and g) signature. 4. Detailed Proposal Following the Order Set Forth in Section B

### **B. Contents of both Technical and financial Proposals**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of AIFO in conformity with the requirements of this RFP. The substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements. The Technical Proposal should address all the points in the order outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

#### **1. License to Practice in Liberia**

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Liberia.

## **2. Independence**

The firm should provide affirmative statement that it is independent of AIFO and Government of Liberia.

The firm should also list, if any, and describe the firm's professional relationships involving AIFO for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give AIFO written notice of any professional relationships entered into during this period of this agreement.

## **3. Insurance Requirements**

State the firm's ability or inability to comply with any insurance requirements.

## **4. Firm Qualification and Experience**

To qualify, the firm must have extensive experience in audits of National and, or International Institutions as well as experience with the preparation of basic financial statements in compliance with generally accepted auditing standards. The proposal should briefly introduce your firm, indicating whether your firm is local, regional, national, or international. State the size of the firm, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Indicate the name of the person who will be authorized to answer questions and to bind the firm, the person's title, address, e-mail and telephone numbers. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

## **5. Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section III of this RFP. a) Proposed segmentation of the audit work:

- a. What will be accomplished during and end of the audit?
- b. What documents and working papers are expected to be provided by AIFO?
- c. What is the anticipated length of field work for the engagement?
- d. What is the standard turnaround time from end of field work, to senior level review, to final draft, to audit report issuance?

## **6. References**

Please provide the name of some companies, NGO's, Institutions, etc. for which the firm has audited basic financial statements during the past five (5) years.

Please include reference contact information for at least three of these agencies, including the name, telephone number and email address of the principal client contact. AIFO reserves the right to contact any or all of the listed references.

## **7. Price**

Complete estimate and explanation of fees is to appear in the text of your response in addition to the estimates contained on the proposal data sheet. A Total All-Inclusive Price is to be provided for the preparation of the financial statements and preparation and submittal of required reporting period. The cost for the preparation of the audit, if required. Please provide a list of fees for additional services that may be requested in relation to this audit.

## **8. Evaluation Procedures**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated and scored for both technical qualifications and price. The following represents the principal selection criteria, which will be considered during the evaluation process:

**Mandatory Elements:** a. the audit firm is independent b. insured c. licensed to practice in Liberia.