



To Know Christ and unite believers of all backgrounds in true worship, growing and equipping them to serve in His mission

25th June 2021

INVITATION TO TENDER FOR EXTERNAL AUDIT SERVICES

Lavington United Church is a medium-sized religious institution that was started by an initiative of the residents of Lavington in 1960. The initiative resulted in the Methodists, Anglicans and Presbyterians joining hands to begin a united congregation. Today the membership has members from more than twenty other denominations.

Over and above just reaching out to its members, the Church has been involved in extending its social welfare to less privileged members of our neighborhoods of Kawangware, Kamitha & Gatina. Currently, the Church, through its program sponsors 400 children to school, cares for 80 destitute older persons, supports 300 parents in running income generating activities, and also runs a clinic in the community.

The Church also runs an Academy that offers Kenya's education curriculum up to class 8 level.

A. Scope of Audit Services

Lavington United Church invites qualified auditing firms to submit proposals to perform annual statutory audit services. The external audit services required will include but not limited to:

1. The planning, management and execution of the annual audit for Lavington United Church and all its programs and departments;
2. The examination of financial records, systems and controls of the Lavington United Church in accordance with international auditing standards;
3. Presentation of the Audit report together with report to management and Letter of Representation to the Finance and Administration Committee of the Church. The report to the management is expected to cover any weaknesses in internal controls noted during the audit or other area of concern;
4. The management letter should include weaknesses in the internal controls and also the level of risk whether low, medium and high;
5. The Auditor will be required to attend a meeting of the Finance and Administration Committee to present and explain as necessary the audit reports and audit opinion;
6. Provision of advice to Lavington United Church and the Finance & Administration Committee on new or changed reporting requirements and auditing standards, advice on technical accounting and tax matters;
7. Respond to and discuss with the Lavington United Church's staff accounting, auditing, tax and other issues arising throughout the year;

8. Inquiries, if any, are infrequent, usually brief and specific in nature, and may require a written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that Lavington United Church staff would be advised of any additional charges prior to services being provided.

B. Terms of Engagement

Lavington United Church will to enter into a three-year agreement with the successful firm to provide external audit services beginning with the current year financial year 2021 annual audits. Subject to satisfactory performance of the services by the successful firm, the term may be extended, if mutually agreeable, for an additional two (2) year period.

C. Acceptance of Proposal

Lavington United Church reserves the right to reject any and all proposals for any reason. The lowest of any proposal may not necessarily be accepted. The acceptance of any proposal is subject to funds being legally available to complete the transaction and/or approval by the management.

There is no expressed or implied obligation of the Lavington United Church to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

D. Experience and qualifications

The firm must meet the following minimum requirements to be considered for evaluation pursuant to this request for proposal:

1. Must be registered and recognized by the Kenya Law and be compliant with statutory requirement
2. Provide a letter of good standing from ICPAK
3. Must have at least two partners and /or full time associates who are Certified Public
4. Accountants and whose membership with CPAK is up to date
5. Provide CVs and copies of certificates of key personnel that will be involved in the audit
6. Must have been in practice for at least ten (10) years.
7. Provide list of at least 10 companies audited in the last 3 years and proof of the same with their contacts.
8. Proposal on how fees charged will be calculated, with indication of involvement/time allocated in providing the said services.
9. Provide copies of relevant certificates i.e. Registration/Practicing certificate of the firm's PIN, VAT and compliance certificate among others



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E. Qualified Statement

The Auditor shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the Church Finance and Administration Committee. In addition, the Auditor shall as far as possible, allow a reasonable period of time for Lavington United Church Finance and Administration Committee make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

F. Annual Audit Schedule

Before 30th November of each year, the Auditor shall correspond with Lavington United Church accountant to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit.

The schedule of activities shall be finalized by 15th December of each year and shall set out the key dates by which necessary information and assistance is to be provided by both parties.

The accountant will be responsible for the year-end close and preparation of annual accounts. The Auditor will assist the accountant in preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis.

G. Proposal Requirements

1. A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided. The letter must include the name of the person who will be authorized to make representations for the firm, their title and telephone number.
2. The person signing the covering letter must be authorized to bind the firm.
3. Firms must respond to the items listed below in the order they are presented. The proposal should include a table of contents identifying the topics by page number. Proposals should include the following mandatory criteria:

- a. **Company Profile and Contact**

A brief profile of the firm (1 to 2 pages) indicating the scope of its practice, the range of activities performed by the firm such as auditing, tax service, accounting or management services; identify the firm's contact person, phone number and email address. State the office address as well as the address and phone number of any local office that will manage or assist in managing this audit.

- b. **Experience in church audits or similar engagements.**

- c. **Audit Staffing**

Name and CV(s) of the partner(s), manager(s) and other key staff who would be assigned to this audit.

d. Audit implementation

Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of Lavington United Church structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the annual audit:

- i. Identify and respond to critical issues
- ii. Control and co-ordinate the audit process
- iii. Ensure appropriate responsibility for decisions on the audit
- iv. Conduct the reporting arrangements

H. Other Services

- a. Description of the methodology to be used for keeping Lavington United Church abreast with any changes in accounting principles and/or legislation that would impact the financial statements
- b. Description of non-auditing professional services provided to other clients and innovative products offered by the firm as well as any specific pricing structure for such services

I. Fee Proposal

A breakdown of the proposed fees for year 1 and estimates for year 2 and 3 to cover:

- a. Preparation of annual and half-year audited accounts;
- b. Fees for any exceptional additional work not covered above and directly related to the external audit

All EOIs should be addressed to:

The Finance and Administration Committee,

Lavington United Church

P.O Box 25030 - 00603

Nairobi

Kenya



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All envelopes should be clearly marked 'EOI Provision of External Audit Services' The EOI may also be submitted through email at gitonganaft@gmail.com with subject 'EOI Provision of External Audit Services'. The deadline for submission is 20th July 2021.

For Finance and Administration Committee

A handwritten signature in blue ink, appearing to read "Naftaly Gitonga".

Rev. Naftaly Gitonga
Superintendent Minister
Lavington United Church