

## **CALL FOR PROPOSALS FOR FIRMS TO PROVIDE INTERNAL AUDIT SERVICES**

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MEFMI invites proposals for Internal Audit Services for the period commencing January 2025 to 31 December 2027.

### **1. Background of MEFMI**

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is a regionally owned Institute with thirteen (14) member states currently: Angola, Burundi, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Uganda, Rwanda, Zambia and Zimbabwe. The MEFMI Secretariat is based in Harare, Zimbabwe.

MEFMI's mandate is to build sustainable capacity in identified key areas in the ministries of finance, planning and central banks, or equivalent technical institutions. The Institute strives to improve human and institutional capacity in the critical areas of macroeconomic and financial management, to foster best practices in related institutions and to bring emerging risks and opportunities to the fore among executive level officials. It also seeks to achieve, within its member states, prudent macroeconomic management, competent and efficient management of public finances, sound, efficient and stable financial sectors and stable economies with strong and sustained growth.

### **2. Objectives of the internal control function**

The objective of this request for proposal is to appoint a suitable independent internal audit service provider that will carry out internal audit services for MEFMI. The internal audit function should assist MEFMI to accomplish its objectives by using a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Internal Audit function will in particular do the following:

- a) Review internal control framework
- b) Review information systems
- c) Evaluate risk exposures relating to governance, operations and information systems regarding the following among others:
  - Reliability and integrity of financial and operational information
  - Effectiveness and efficiency of operations
  - Safeguarding of assets
  - Compliance with MEFMI set policies, regulations and contracts
- d) Review operations to assess the level of achievement of established operational goals and objectives

### **3. Scope of work**

All the institution's activities fall within the remit of the internal audit service. Thus, the scope of the internal audit work will cover all operational and management controls and their associated risks. The Internal Audit Function must assist MEFMI in achieving its objectives by evaluating and developing recommendations for the enhancement of the processes through which:

- a) The objectives and values of MEFMI are established, communicated and preserved

- b) The accomplishment of the objectives is monitored and accountability is ensured
- c) The adequacy and effectiveness of the internal control systems and established policies and procedures is reviewed and evaluated
- d) The relevance, reliability and integrity of management, financial and operating data; and reports are assessed
- e) Systems are established to ensure compliance with policies, plans, procedures, statutory requirements and regulations, which could have a significant impact on MEFMI operations, are reviewed.
- f) The means of safeguarding assets are reviewed and verified to ensure existence of the assets
- g) The economy, efficiency and effectiveness with which resources are employed, are assessed.
- h) The results of the programmes are reviewed to ascertain whether they are consistent with MEFMI's established objectives and goals, and whether the activities are being carried out as planned.

The Internal Audit team should also seek to identify serious red flags in the internal controls that could result in malpractices or financial loss.

#### **4. Responsibilities**

Internal Audit will be responsible for the following:

- Reporting bi annually to the Board of Governors, through the Finance and Audit Committee, on the all the issues detailed above.
- Conducting any special reviews as requested by the Finance and Audit Committee provided such reviews do not compromise its objectivity, independence or achievement of the approved audit plan

#### **5. Quality assurance reviews of the work**

The Auditor shall ensure that all work conforms to the Standards for the Professional Practice of the Institute of Internal Audit (IIA), and for information systems, in accordance with Standards for Information Systems Auditing issued by the Information Systems Audit and Control Association

#### **6. Duration of contract**

The assignment shall last for an initial period of one year and may be renewed for up to a maximum of 3 years, subject to performance in the first year.

#### **7. Evaluation criteria**

MEFMI will evaluate the proposals using the following criteria:

a) Technical/Functionality:	80%
b) Pricing:	<u>20%</u>
Total	<u><u>100%</u></u>

##### **a) Technical Proposal evaluation criteria**

The technical evaluations will be based on table 1 below. Interested firms are therefore requested to provide all the information detailed in the table to assist MEFMI in evaluating the proposals.

**Technical evaluation criteria: Table 1**

<b>Company Name</b>		<b>Maximum Mark</b>
<i>Name of Evaluator</i>		
<b>Parameters for Evaluations (Use accompanying analysis checklist)</b>		
i	Level of interpretation and appreciation of the TOR in the Technical proposals; understanding the assignment (20%)	<b>20</b>
		Knowledge of control issues facing an entities like MEFMI <b>5</b>
		Approach that is tailored to an intergovernmental organisation like MEFMI <b>5</b>
		Demonstration of understanding of what it entails to conduct internal audit in accordance with international auditing standards <b>5</b>
		Demonstration of understanding of what it entails to conduct IT audit Standards for Information Systems Auditing issued by the Information Systems Audit and Control Association <b>5</b>
ii	Proposed Audit Methodology, approach and use of IT tools (Appropriateness and comprehensiveness) 20%	<b>20</b>
		Demonstration of a risk based approach <b>4</b>
		Balance between reviews of control and substantive testing <b>3</b>
		Reporting approach <b>3</b>
		Proposed approach to IT related risks and Governance risks <b>3</b>
		Approach to reviewing systems <b>7</b>
iii	Overall capability of the firm 15%	<b>25</b>
		Qualification of the consultancy team <b>10</b>
		Presence of offices in other countries within and outside Africa <b>2</b>
		Number of partners and professional staff; partner-staff ratio, ability to substitute staff at similar levels of qualifications and experience if necessary <b>5</b>
		Type, size and number of clients <b>5</b>
		Firm specialties that may be advantageous to the audit like , IT audit, enterprise risk management <b>3</b>
iv	Years of experience/Exposure of the Consultancy team members in auditing similar organisations (10%)	<b>10</b>
v	Reasonableness of proposed Time period to complete each audit (5%)	<b>5</b>
<b>Overall Technical Proposal (80%)</b>		<b>80</b>

**b) Financial proposal evaluation criteria**

- i. Only firms that score above 70 out of 80 shall be considered for the financial evaluation
- ii. The financial evaluation will be based on cost before VAT but after disbursements as indicated in table 2.
- iii. To ensure quality of services MEFMI shall not be bound by the lowest bidder

**Table 2: Financial Evaluation**

Cost before VAT and disbursements	XXX
Estimated Disbursements	XXX
<b>Total Cost with disbursements before VAT</b>	<b>XXX</b>
VAT	XXX
<b>Total Cost with VAT</b>	<b>XXX</b>

## 8. Submission details

Interested firms should submit written Technical and Financial proposals in sealed envelopes clearly marked "TECHNICAL PROPOSAL TO PROVIDE INTERNAL AUDIT SERVICES" and "FINANCIAL PROPOSAL TO PROVIDE INTERNAL AUDIT SERVICES".

The proposals should be submitted either **by e-mail or hard copies** to the address below not later than, 15 January 2024. MEFMI will not accept proposals received after the closing date and time.

## 9. Exclusion Criteria

MEFMI adheres to international best practices and implements a mandatory rotation and cooling off period for prior auditors. Any firm that has offered this and related assurance services in the last 6 years are not eligible to apply and will not be considered.

### Submit to:

[capacity@mefmi.org](mailto:capacity@mefmi.org)

For further clarifications, please do not hesitate to contact Mr. Jacob Mukamba at [jacob.mukamba@mefmi.org](mailto:jacob.mukamba@mefmi.org) Telephone: +263 4 745988/9/91-94