



## **REQUEST FOR PROPOSALS (RFP) FOR EXTERNAL AUDIT SERVICES TO THE MALAWI RESEARCH AND EDUCATION NETWORK (MAREN)**

### **1. Purpose**

- 1.1. Malawi Research and Education Network (“MAREN” or the “Company”) seeks proposals from firms wishing to be considered for appointment as external auditors (the “External Audit”).

### **2. Background**

- 2.1. MAREN was incorporated as a company limited by guarantee in 2009.
- 2.2. The Company’s purpose is defined in its Memorandum and Articles of Association. The Company’s objective is to provide a platform for the development and use of advanced network facilities and services by the research and education community in Malawi. MAREN is governed by the Board of Directors which is currently chaired by the Principal Secretary of the Ministry of Education.
- 2.3. MAREN has its administrative office at the old University of Malawi Central Office building, along the Zomba-Liwonde road in Zomba.
- 2.4. MAREN generates its income from the provision of internet connectivity and other related services to its members which include post-secondary education and research institutions, and other grant giving bodies.
- 2.5. MAREN is one of the sixteen National Research and Education Networks (NRENs) in East and Southern Africa Region working under the umbrella of the UbuntuNet Alliance, the Regional Research and Education Network (RREN) for the Region.

### **3. Scope of Work**

- 3.1. The objective of the audit is to express an opinion as to whether the financial statements of MAREN present fairly, in all material respects, the financial position, results of operations and changes in cash flow, in

accordance with generally accepted accounting principles. This will be for the financial year ending 31 December 2023, and it is expected that the successful firm will be retained for a further two years.

Management will prepare the financial statements that will be subject to the audit and make available to the Auditor(s).

3.2. During the engagement, the Auditor(s) shall report:

- Any significant or unusual transactions entered into by MAREN that Management and/or the Board of Directors should be made aware of
- Any deficiencies in internal controls that are of sufficient importance to merit the attention of Management and/or the Board of Directors
- Any disagreements with Management about matters which are significant to the Company's financial statements
- Any lack of compliance with the Financial Management and Controls Policy
- Any lack of compliance with financial or other relevant legislation; and/or
- Any lack of accountability in the use and management of MAREN's assets.

Any such instances shall be reported in an audit management letter.

#### **4. Expected deliverables**

The Auditor will:

- Prepare an auditor's report and in a format consistent with generally accepted auditing standards
- Provide a management letter that identifies areas of concern or weaknesses found, recommendations for improvement, management's response on any concerns identified
- Discuss the auditor's report and management letters with Management and the Finance and Audit Committee presentation to the MAREN Board prior to their distribution
- Meet audit or reporting requirement dates as set out below
- Complete the scope of work
- Schedule in-person clarification and catch-up meetings with MAREN; and
- Provide reporting to MAREN, as directed (weekly updates, project milestone reports).

The preferred key dates and timing relating to the audit of the year ending 31 December 2023 financial statements are as follows:

<b>Event</b>	<b>Key Dates/Timing</b>
Audit plan and proposed fees presentation to Finance and Audit Committee	8 Dec 2023
External Auditors appointed	15 Dec 2023
Draft financial statements ready for Auditors	29 Jan 2024
Commencement of Audit	05 Feb 2024
Draft audited financial statements and management letter	08 March 2024
Presentation to Finance and Audit Committee	22 March 2024
Board meeting to review and approve External Audit Report	12 April 2024
AGM	12 April 2024

## 5. Invitation to submit proposals

5.1. Proposals are invited from registered audit firms to be appointed as auditors of MAREN.

5.2. Proposals should be submitted by email with the subject "TENDER – External Audit", to [ipdc@maren.ac.mw](mailto:ipdc@maren.ac.mw) by 16:00 on 29 November 2023.

5.3. Proposals should include the following:

- i) Details and general background information about your firm
- ii) Details of your office locations
- iii) Details of your firm's experience of working with not-for-profit organizations in receipt of grant funding, and of existing clients, indicating the size of those clients especially as it relates to recent relevant audits

- iv) Details of the team assigned to similar audits, and of those staff who would be assigned to the audit, together with their experience
- v) Describe any internal or external professional and technical services that will be called upon to assist in the audit.
- vi) Provide a detailed description of the proposed audit strategy, its processes and deliverables, and outline the methodology and approaches that would be used in carrying out the audit.
- vii) Provide a proposed timeline for each component of the audit services to be provided and indicate the bidder's ability to meet the timelines as set out therein.
- viii) A draft letter of engagement defining the scope of the audit and the extent of your responsibilities as external auditor
- ix) Details of your proposed fees for the scope of work specified in point 3 above, on both an hourly and fixed fee basis, including separate costs for the audit and tax work including:
  - Hourly rates of staff involved
  - Your firm's policy of charging travelling time and/or other expenses
  - Anticipated time input of different staff/grades of staff
  - Total number of days to be allocated to the audit
  - Provision of a management letter
- vii) A copy of your proposed terms and conditions
- viii) Details of other advice offered by the firm
- ix) Details of your firm's professional indemnity insurance
- x) Details of your firm's equal opportunities policy
- xi) Include a minimum of two client references (including their names, phone numbers and email addresses) who may be contacted to confirm the satisfactory delivery of service by key team member(s) on previous assignments.

## 6. Conflict of Interest

The successful firm(s) must not have a real or apparent conflict of interest regarding its ability to provide its service to MAREN. The firm must disclose to MAREN the names of any parties which it believes are, or may be, a real or apparent conflict.

## 7. Mandatory Requirements Check

Submissions that do not include the mandatory information below shall not be considered:

<b>Mandatory Requirements</b>	<b>Requirement Met</b>
<b>Deadline</b>	
Proposals due – 1600 (CAT) on 29 November 2023	
<b>Mandatory Project specific content includes:</b>	
1. Audit proposed workplan and timeline	
2. Audit methodology proposed to complete the audit	
3. A cost quotation that has all-inclusive costs for the proposed audit work which will be performed for the first fiscal year and for each of the subsequent two years	
4. Costs identified in the proposal that clearly establish the basis of remuneration, identifying both the hours of work and hourly rates for appropriate categories of audit staff and appropriate out-of-pocket expenses	

## 8. Proposed Schedule & Submission of Information

<b>Milestone</b>	<b>Scheduled Date</b>
<b>Release of Request For Proposal (RFP)</b>	15 November 2023
Deadline for submitting questions	22 November 2023
Proposals due	29 November 2023
Appointment of the firm	15 December 2023

## 9. Confidentiality of Information

MAREN will require the successful firm to enter into a confidentiality agreement with MAREN that protects all information provided to the supplier(s) by MAREN or any party contacted by the supplier(s) in order to complete this project.

### 10.0. General Information

The submission of a proposal does not constitute a legally binding agreement between MAREN and any firm. It is part of an overall selection process intended to enable MAREN to identify a potential successful firm for the provision of

services described herein. The goal of this RFP process is to identify those firms that offer the best service and value and demonstrate the highest degree of capability for providing and implementing the functions and objectives of the project.

A contract will be entered into between the successful firm and MAREN. MAREN is not bound to negotiate with the lowest cost or any firm and may, in its sole discretion, discontinue the RFP process and/or cancel the initiatives as outlined prior to the execution of the contract.

## 11. Evaluation Criteria

### 11.1. Submission Evaluation

The evaluation process to determine the successful firm(s) will involve both qualitative and quantitative elements. As a general framework, all proposals presented by firms will be evaluated in the context of the overall value that it brings to MAREN. While cost is a significant part of the evaluation criteria, it will not be the sole determinant.

Each criterion below may be considered for each requirement listed in section 5.3. Firms must ensure they review the criteria when they develop each aspect of their proposal.

Proposals will be reviewed and ranked on the following criteria and scored out of a 100-point total as follows:

### 11.2. Technical Criteria

The technical criteria will be evaluated first (excludes the 'Financial' criteria, bringing the maximum score to 75). Firms must achieve a minimum rating of 75% (a score of 56 out of 75) before MAREN considers their financial criteria.

Technical ranking criteria	Percentage
Demonstrated understanding of project goals	15%
Approach and methodology	20%
Qualifications of audit team and firm's relevant experience	25%
Project timelines	15%

<b>Total Technical</b>	<b>75%</b>
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### 11.3. Financial Criteria

Only those proposals that will achieve a rating of 75% or over on their technical criteria will have their financial proposal evaluated.

<b>Financial Ranking Criteria</b>	<b>Percentage</b>
Total cost for audit services for financial year 2023	10%
Total cost for audit services for financial years 2024 and 2025	10%
Extent of value in relation to proposed cost	5%
<b>Total Financial</b>	<b>25%</b>

### 11.4. Calculating the Total Cost Score

The points score for total cost will be awarded based on the difference between the firm's financial offer and the lowest responsive financial offer. The lowest responsive financial offer will receive the full awarded points and other financial offers will be allocated points pro-rata to the extent they exceed the lowest responsive financial offer.

### 11.5. Selection Rights

MAREN reaffirms its right to make any selection it deems prudent and responding firms or individual participants acknowledge through their participation that such selection is not subject to protest or contest.

MAREN reserves the right to:

- not award a contract as a result of this RFP
- modify the tasks based on negotiation with respondents
- award a contract to the same supplier(s) for subsequent years.

### 12.0. Clarification/Interpretation

Each prospective bidder shall be responsible for conducting its own due diligence on the data and information upon which their proposal is based.

Prospective firms shall be deemed to have gathered all information necessary to perform their obligations under the RFP.

Information referenced in this RFP, or otherwise made available by MAREN as part of this RFP, is provided for the convenience of the prospective bidder only, and MAREN does not warrant the accuracy or completeness of this information.

Prospective suppliers that find discrepancies or omissions in the information provided, or that have questions as to the meaning or intent of various aspects of the project, can notify the Finance and Administration Manager, Mrs Grace Dzoole on [g.dzoole@maren.ac.mw](mailto:g.dzoole@maren.ac.mw) who will, if necessary, send written instructions, clarifications, or explanations to all prospective firms who have submitted an expression of interest to this RFP.

### **13. Break clause and payment**

**13.1** Based on the scope of work contained within the submitted proposal, the successful firm will be expected to submit a detailed breakdown of all fees relative to the specific project components as well as related expenses for the 2023 financial year end, and subsequent years.

**13.2** Respondents may propose to invoice on an interim or final cost basis. Regardless of the method used, invoices must clearly identify the costs associated.

**13.3** Payment for any additional work will be upon satisfactory completion of the assignment.

**13.4** If MAREN wishes to terminate the process at any stage a minimum of one month's notice will be given.

### **14.0 Supervision of the Contract**

14.1. The successful firm will be required to enter into a formal contract of engagement for the supply of services.

14.2. Supervision of the contract will be the responsibility of the Finance and Administration Manager for MAREN, and/or other employees of MAREN as may be determined.

14.3. Written reports will be submitted to the Management of MAREN in the first instance.