**Request for Quotation for Audit Services**

**RE: CARRY OUT AN INDEPENDENT AUDIT FOR THE MILLENIUM WATER ALLIANCE KENYA RAPID PROGRAM SUBGRANTEE – SWEETSENSE INC**.

Millennium Water Alliance (MWA) is requesting quotations from CPA firms that have extensive experience in providing audit services for profit and not for profit organizations to carry out an Independent audit for one of our implementing partners, SweetSense Inc. based in Portland Oregon. We invite your firm to submit a proposal to us by April 30 2017 for consideration. A description of our organization, the services needed and other pertinent information follows:

**OVERVIEW:**

Millennium Water Alliance is a coalition of over 16 members worldwide who have come together with the aim of provision of clean and safe drinking water. As a consortium, Millennium Water Alliance is currently implementing a five year program referred to as Kenya Resilient Arid Lands Partnership for Integrated Development (Kenya RAPID program) funded by USAID, SDC, Aqua for All, private sectors and partner match funds. The program is implemented across five arid counties of Kenya through MWA partners that include CARE, Catholic Relief Services, Food for the Hungry, World Vision, SweetSense Inc. and IBM Research.

SweetSense Inc. as a sub recipient (implementing partner) of MWA for the Kenya RAPID program donors’ funds is required to cost share in the implementation of the program. SweetSense contribution can be in form of cash contribution or in-kind contribution. The reported expenditure by SweetSense for the audit period October 1, 2015 to September 30, 2016 is $357,506.08 against donor funds and $394,477.42 against match funds (cost share).

**SCOPE OF WORK:**

The audit will examine the financial records, statements and reports for SweetSense that are relevant to the Kenya RAPID program. These records, statements and reports will be generated from financial system in US Dollars for the audit period 1st October 2015 to 30th September 2016.

Note that this is a program specific audit for the Kenya RAPID program geared towards deducing an audit opinion on the financial records, statements and reports in line with the donors requirements and the sub grant agreement between MWA and SweetSense for the Kenya RAPID Program

Specifically the Audit will include but not limited to:

* Audit SweetSense Inc. Financial Statements/Reports covering the period 1st October 2015 to 30th September 2016.
* The audit will be carried out in accordance to International Standards on Auditing.
* Obtain sufficient audit evidence to substantiate in all material respects the accuracy of the information contained in the financial statements and reports submitted to MWA.
* Obtain an understanding of internal controls and perform tests of internal controls
* Perform procedures to determine whether SweetSence has complied with laws, rules and regulations (including donor regulations) in the implementation of the Kenya RAPID program.
* Perform procedures to determine whether SweetSense has complied with Kenya RAPID program objectives, they are meeting reporting requirements and that expenditure is in line with sub agreement.
* Audit of the Kenya RAPID program financial statements of SweetSense in accordance with Office of Management & Budget (OMB) Circular 2 CFR 200 for the year ending September 2015
* Issue an independent Auditor’s Reports that states but not limited to the following:
  + An Opinion (or disclaimer of opinion) as to whether the Kenya RAPID fund financial statements and reports present fairly in all material respects in conformity with the Generally Accepted Accounting Principles
  + A report on internal controls which shall describe the scope of testing of internal controls and the results of the tests.
  + A Management letter documenting findings on internal controls and compliance issues.

**Contents of Audit Report**

* Audited Kenya RAPID financial statements (the Income and Expenditure Statement) for the period October 1, 2015 to September 30, 2016 and fund balance as at September 30, 2016
* The Accounting Standards that have been applied and indicate the effect of any deviations from those standards
* The period covered by the Audit Opinion
* Audit opinion stating whether the Income & Expenditure Statement and supporting schedules present fairly in all material aspects that the funds were utilized for the purposes intended.

### Management Letter

The Auditor will submit a Management Letter at the completion of the audit. The Management Letter shall include but not limited to the following:

* An assessment of the Internal Control System with equal emphasis on the general effectiveness of the Internal Control System in protecting the assets and resources of the organization
* A description of any specific Internal Control weaknesses noted, the audit procedures followed to address or compensate for the weaknesses, risk exposure and recommendations to resolve/eliminate the internal control weaknesses noted should also be included.

**Reporting Timeline**

The audit is scheduled to begin not later than 1st May 2017 and Draft Audit Report should be submitted by 15th May 2017 while the final Reports should be submitted by 30th May 2017.

**Quotation Content**

In order to simplify the evaluation process and obtain maximum comparability, Millennium Water Alliance requires that all responses to the request for quotations (RFQ) be organized in the manner and format described below:

**A. Background and Summary**

Describe your understanding of the work to be performed and your firm’s ability to perform the work within a specified time frame. This could include;

* One page overview of your firm, including years in business and industry specialties.
* A description of staff levels in your firm.
* A list of your current clients who Millennium Water Alliance may contact for references, which are similar in size, nature and complexity.
* Detail of your experience with audit procedures required under the Office of Management and Budget (OMB) Circular 2 CFR 200.
* A copy of the most recent quality control review of your firm.

**B. Professional Experience**

Describe how and why your firm is different from other firms being considered. This should include;

* An explanation of the firm’s philosophy, size, structure, and qualifications with serving not for profit organizations with a similar size and operations.
* Describe your firm’s resources devoted to not for profit organizations and provide copies of newsletters or other resource materials addressing issues relevant to not for profit organizations.
* Discuss the firm’s independence with respect to Millennium Water Alliance.

**C. Team Qualifications**

* Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested.
* Discuss commitments you make to staff continuity, including your staff turnover experience in the last three years.

**D. Audit Approach**

* Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis and the type of assistance that will be required from SweetSense Inc. staff.
* Discuss the firm’s use of technology, your policy and procedures for notifying officials of suspected illegal acts and malfeasance
* Provide preliminary listings of schedules requested from clients by your firm; and audit review procedures conducted by your staff.
* Discuss the communication process used by the firm to discuss issues with management and the Board.

**E. Audit Cost**

Please provide a firm estimate of fees for the services to be provided. This should include;

* The number of hours at each staff level and the hourly rate for each represented by the scope
* Estimate of out of pocket costs and a description of what is included in these costs
* Method of billing to millennium Water Alliance and payment terms
* Your firm’s policy on handling cost-overruns which might occur

**F. Client References**

Include a list of the relevant not for profit clients the firm has served within the past three years and furnish the names and telephone numbers of any references whom we may contact.

**G. Additional Information**

Please provide a copy of your most recent peer review report. Please provide any additional information, not specifically requested, but which you believe would be useful in evaluating your proposal.

**Duration of the Audit**

The duration of engagement of the successful audit firm will be 3 to 4 years, under a framework contract. A letter of engagement will be issued every year by MWA for the audit exercise with payments made annually as per the terms of the contract.

**Evaluation of Quotations**

While price is an important factor, Millennium Water Alliance will evaluate quotations on price and the following criteria;

* Prior experience auditing similar organizations
* Qualifications of staff to be assigned to the engagement
* CPA firm’s understanding of work to be performed
* References
* Completeness and timeliness of the proposal

For submission of your quotation, please send your quotation, including all requested supporting information **no later than April 30, 2017** by email to Peter.Gichuru@mwawater.org

**GENERAL CONDITIONS:**

Acceptance of a quotation neither commits Millennium Water Alliance to award a contract to any vendor, even if all requirements stated in the RFQ are met, nor limits our rights to negotiate in our best interests. We reserve the right to contract with a vendor for reasons other than the lowest price. The pricing, terms and conditions offered in your response to this RFQ must remain valid for 90 days from the date the quotation is delivered. Expenses incurred in the preparation of quotations in response to this RFQ and any follow-up information provided is the vendor's sole responsibility. The information contained in the RFQ is confidential and may not be disclosed without the express written permission of Millennium Water Alliance.

**AUTHORIZATION:**

This request for quotation is authorized for release by:

Rafael Callejas

Executive Director

Millennium Water Alliance