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**REQUEST FOR PROPOSAL FOR THE PROVISION OF EXTERNAL AUDIT SERVICES  
FOR THE THREE YEARS 2019 – 2021**

**REFERENCE NUMBER: RFP/AUDIT01/2018**



**REQUEST FOR PROPOSAL (RFP)**  
**RFP/AUDIT01/2018**

**PROVISION OF EXTERNAL AUDIT SERVICES**

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Purpose	To procure the External Audit Services for the three financial years for the three financial years ending 31 March 2019, 2020 and 2021.
Submission Date	Friday 09 November 2018 not later than by 10:00am
Duration of Contract	Three (3) Years

**1. GENERAL INFORMATION**

The Eswatini Development and Savings Bank t/a EswatiniBank is a government parastatal established by the King's Order in Council No. 49 of 1973. The Bank operates as a development and commercial bank with a mandate to:

- (a) Take deposits from the public;
- (b) Provide loan funding all sectors of the economy: Agriculture, SMME, Corporate and Personal Sectors
- (c) Invest surplus resources in safe and viable money market instruments
- (d) Provide daily banking services and related products
- (e) Grant loans to all sectors of the economy
- (f) Raise funds and achieve profits

The Bank offers the following products and services:

**2. PURPOSE OF THE TENDER**

The Bank seeks to procure services of a suitably qualified and independent service provider who can provide appropriate external audit services to the Bank in compliance with the Auditing and Financial Reporting Standards.

**3. BANKING SERVICES AND PRODUCTS OFFERED BY THE BANK**

The Bank offers a number of deposits and loans products:

**Deposit Products**

- (a) Savings Accounts
- (b) Current Accounts
- (c) Fixed Deposits
- (d) Investment Accounts



### **Loan products**

- (a) Personal Loans
- (b) Housing Loans
- (c) Asset Finance and Motor Vehicle Loans
- (d) SMME Loans
- (e) Agriculture Loans
- (f) Corporate Business Loans

### **Other Products**

- (a) Internet Banking
- (b) Cell-phone Banking
- (c) Master-card Debit Card
- (d) Master-card Prepaid Cards
- (e) Eswatini Bank Wallet (Cardless Withdrawals)
- (f) Insurance Products

### **Partnerships and Integrations with third parties**

- (a) Distribution of Airtime and Mobile Money for the local Mobile Network Operators
- (b) Distribution of Electricity Tokens

## **4. OBJECTIVES OF THE EXTERNAL AUDIT FUNCTION**

The role of the external audit function is to:

- Perform a financial statement audit in accordance with International Standards on Auditing and provide a report on whether the financial statements of the bank are fairly presented in accordance with International Financial Reporting Standards.
- Assess whether the financial statements are materially misstated due to fraud or error and provide a report on fraud or error findings.
- Understand the bank's internal controls and design & plan audit procedures to assess the operating effectiveness of internal controls relevant to the audit. Provide a report to the Audit Committee and Management with details of control deficiencies and recommendations to resolve the identified matters. Audit report to clearly highlight areas where controls were found to be inadequate and where controls were ineffective.
- Assess the bank's Information and Financial Systems General and Application controls and provide a report on findings and recommendations for resolution.

- Evaluate the appropriateness of the bank's accounting policies and the reasonableness of accounting estimates and related disclosures made by the bank.
- Evaluate the presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess the appropriateness of the use of the going concern basis of accounting and based on the audit evidence obtained, disclose whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern.
- Assess and report on the bank's adherence with key compliance and regulatory requirements

## 5. KEY LEGISLATION

The External Auditor will be expected to have a reasonable / sound knowledge of the relevant Legislation for purposes of the conducting the audit. Such legislation includes, but not limited to:

- (a) Public Enterprises Monitoring and Control Act
- (b) The Financial Institutions Act
- (c) The Eswatini Development and Savings Bank Order (Founding Legislation)
- (d) Tax Legislation: Income Tax Order, VAT Act, etc. *(The Bank is currently not liable for Income Tax but is liable for VAT & Withholding Tax)*
- (e) Any other

## 6. KEY DELIVERABLES

- Audit Plan Presentation to the Board of Directors and/ or the Audit Committee detailing significant risks, planned audit approach for each area assessed as significant, materiality considerations, audit methodology and tools used, combined assurance plan, fraud considerations, plan to assess compliance with key regulatory requirements, IT audit approach, key audit team members, planned interactions with executive management and the Board, expected submission timelines for deliverables.
- Report to Management with details of identified deficiencies and proposed recommendations for resolution. (Separate reports for IT audit and the Financial statements audit)

- Provide an opinion on the financial statements within PEU timelines
- Final Presentation to the Board of Directors and/ or the Audit Committee detailing results of the audit (opinion on the financial statements, findings for significant areas identified at planning stage and during the audit, final materiality amounts, findings on internal controls and IT systems, results of tests on compliance with laws and regulations, any deviations from the planned audit scope, assessment of the use of the going concern assumption in preparing the financial statements.)

## 7. KEY DEADLINES

- a. The Annual Audit Plan must be presented to the Board Audit Committee before the close of the financial year being audited or before the commencement of the final audit
- b. The audited and approved Annual Financial Statements must be published on or before 30 June. Approval authorities include; the Regulator (Central Bank of Eswatini) and the Board of Directors. The Bank's financial year-end is 31 March.

The above deadlines must be taken into account during the planning and performance of the audit.

## 8. CLARIFICATION AND AMENDMENT OF RFP DOCUMENTS

Consultancy firms may request for clarification on or before 31 October 2018. Requests for clarification must be in writing and must be emailed to [Tenders@swazibank.co.sz](mailto:Tenders@swazibank.co.sz). The Bank will respond in writing via electronic mail and will send responses to all firms that have shown interest to submit a proposal.

Should the Bank deem it necessary to amend the RFP as a result of a clarification, it shall do so by issuing an addendum to be circulated via electronic mail. Should the amendment be substantial, the Bank may extend the deadline for submission of Proposals.

## 9. WITHDRAWAL, SUBSTITUTION AND MODIFICATION OF BIDS

Tenderers may modify or withdraw the tender prior to the submission deadline. The modification or notice of withdrawal shall be effective if it is received by the Bank prior to the Proposal Submission Deadline.

## 10. EVALUATION CRITERIA

The Bids shall be evaluated as follows:

### (a) Preliminary Assessment

This is an assessment of compliance with the preliminary checklist – **Score is Zero**. Bids that are not substantially responsive will be disqualified.

**(b) Technical Evaluation**

TECHNICAL EVALUATION CRITERIA	SCORE
1. Experience of the firm in external audit work, including specialised skills, expertise	30
2. Experience in the audit of large commercial financial institutions	30
3. Qualifications and Relevant Experience of Team Members	20
4. Availability of personnel to ensure completion of audits within required / tight regulatory deadlines	10
5. Approach and Methodology	10
<b>TOTAL</b>	<b>100</b>

**NB: Tenderers who meet a minimum technical score of 70% shall qualify for the Financial Evaluation.**

**(c) Evaluation of Financial Proposals**

The Financial Proposals must be inclusive of:

- (i) Fees for the Systems Audit
- (ii) Fees for the Financial Audit
- (iii) Disbursements
- (iv) Any other relevant charges
- (v) All related Taxes
- (vi) An annual escalation fee (percentage or absolute figures)

**The financial proposals will be evaluated using the Price/Quality Methodology whereby:**

The lowest evaluated Financial Proposal (FP) will be given the maximum financial score (Fs) of 100 points. The financial scores of all other proposals will be computed as follows:

*Fs = 100 multiplied by lowest cost proposal (amount) divided by the amount of the proposal being evaluated.*

**The final score will be: 70% Technical Score and 30% Financial Score.**

**11. DELIVERY DATE**

- a.** The closing date for the submission of both the technical and financial proposals **Friday 09 November 2018 at 1000Hrs**
- b.** The Technical and Financial Proposals must be submitted in **two separate sealed envelopes** clearly marked as follows:



- i. "TECHNICAL PROPOSAL"
- ii. "FINANCIAL PROPOSAL"
- c. Both proposals must be enclosed in one suitable sealed envelope and clearly marked with the the Tenderers Name and Address and addressed to to the Tender Committee Secretary;
- d. The Proposals must be deposited into the Tender Box at the SwaziBank Head Office, Ground Floor Engungwini Building, Gwamile Street Mbabane
- e. Tenders are requested to submit an electronic version to [tenders@swazibank.co.sz](mailto:tenders@swazibank.co.sz). This is for circulation purposes only and will not be considered for "cut-off" time purposes.
- f. Late submissions will not be accepted
- g. Queries and requests for clarification must be emailed to: [tenders@swazibank.co.sz](mailto:tenders@swazibank.co.sz)

## 12. COMPLETION OF THE EVALUATION PROCESS / INTENTION TO AWARD NOTICE

The evaluation process will be concluded within a period of two weeks after the proposals submission date. An Intention to Award Notice shall be sent to all consultants and will also be published on the SPPRA website at least 10 days before the contract award.

## 13. INSTRUCTIONS TO TENDERERS

- a. The submission must be made in two separate envelopes and must be clearly marked as follows:
  - i. RFP/AUDIT01/2018 - Technical Proposal
  - ii. RFP/AUDIT01/2018 - Financial Proposal
- b. Proposals should be deposited in the EswatiniBank Tender Box at the ground floor of Engungwini Building by the 09<sup>th</sup> November 2018, not later than 1000Hrs.
- c. Proposals shall be opened on the same date, at 10:10am
- d. Late submissions, telephone and fax submissions will not be accepted
- e. Proposals should be valid for 90 calendar days from closing date of accepting proposals
- f. Quoted prices must be stated in Emalangeneni and should remain fixed for the duration of the contract
- g. Prices should clearly distinguish between consultancy fees and taxes and the total must be inclusive of tax. Price variations will not be accepted.

- h.** Submissions should also include:
  - i.** A Current Trading Licence
  - ii.** An Original/Valid Tax Compliance Certificate
  - iii.** A Statement of Shareholders / Directors (Form J and Form C)
  - iv.** A Certificate of Incorporation
  - v.** A Labour Compliance Certificate
  - vi.** Certified Copies of IDs of Directors
  - vii.** Police Clearance for Directors
  - viii.** A company profile with CV's of the key personnel and at least five (5) relevant references
  
- i.** Proposals must be in **ENGLISH** language
  
- j.** The Bank reserves the right to cancel, suspend or reject any or all the proposals without divulging the reasons to any of the Bidder(s)
  
- k.** The Bank is not bound to accept the lowest bid or to incur any expenses in the preparation of the tender submission

#### **14. REQUESTS FOR CLARIFICATIONS**

- a.** Requests for clarifications must be in writing and must be emailed to: [tenders@EswatiniBank.co.sz](mailto:tenders@EswatiniBank.co.sz), not later than 31 October 2018
- b.** Information requested will not be unreasonably withheld.
- c.** If for whatever reason, it becomes necessary to make amendments or additions to the Terms of Reference, an addendum will be issued
- d.** All proposals submitted will be treated with the strictest confidence and remains the property of EswatiniBank and will not be passed on to third parties unless required by Law

#### **15. INSTITUTIONAL ARRANGEMENTS AND JOINT VENTURES**

The tenderer must be a single legal entity and must disclose any partnerships or joint entered into for purposes of this tender. The Bank will enter into a single contract with a single entity for the delivery of the contract (will deal with the main entity).

#### **16. ASSIGNMENT PERIOD**

- a.** The contract will be for a three (3) year period.



ANNEXURE 1.

SUBMISSION CHECKLIST

REQUIREMENT	Available/not Available (Please tick V or cross x as appropriate)
A. Company Profile	
B. A Certified Copy of Current Trading License	
C. An Original /Valid Tax Compliance Certificate	
D. A Current Labour Compliance Certificate	
E. Certified Copies of Form J and Form C	
F. Police Clearance for <u>All</u> Company Directors	
H. Names and Contacts of at least (5) Reference Customers preferably in the financial services sector	
I. CV's of key personnel (Partner, Manager, Supervisor for both the Financial and Information Systems Audit Team)	
J. Financial Proposal presented in a separate envelope, sealed and addressed accordingly.	
K. An electronic version of the Technical Proposals (only). (Will not considered for "timely submission" purposes)	

Signature.....



## FORM B: BID SUBMISSION FORM

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[Note to Tenderers: This Bid Submission Form should be on the letterhead of the Company and should be signed by a person with the proper authority to sign documents that are binding on the entity. It should be included by the tenderer with the submitted tender.]

[>>>Location>>>]

[>>>Date>>>]

Procurement Reference No: [>>>insert Tender number>>>]

To: [>>>Name and address of Procuring Entity>>>]

Dear Sirs:

We, the undersigned, declare that:

(a) We offer to provide the service for [>>insert a brief description of the tender>>] in conformity with your invitation to tender;

(b) The schedule of prices of our proposal is attached.

(c) Our tender shall be valid for a period of [>> specify the number of calendar days>>] days from the date fixed for the tender submission deadline in accordance with the Tender, and it shall remain binding upon us, subject to any modifications resulting from negotiations, and may be accepted at any time before the expiration of that period;

(d) We understand that you are not bound to accept any proposal that you receive;

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ [insert date of signing]

Name: [insert complete name of person signing the proposal]



In the capacity of [insert legal capacity of person signing the proposal]

Signed: [signature of person whose name and capacity are shown above]

Duly authorised to sign the tender for and on behalf of: [insert complete name of  
Tenderer]



## FORM C: DECLARATION OF ELIGIBILITY

[The Tenderer must provide a signed declaration on its company letterhead in the following format. If the Tender is being presented by a joint venture or consortium all members must each sign their own declaration.]

[>>>Name of Company, Address, and Date>>>]

To:

The Tender Committee

EswatiniBank,

P. O. Box 336

Mbabane

Dear Sirs,

### **RE: RFP/AUDIT01/2018**

We hereby declare that:

- a) I/We, including any joint venture partners or consortium partners, are a legal entity and have the legal capacity to enter into the contract;
- b) I/We are not insolvent, in receivership, bankrupt or being wound up, our affairs are not being administered by a court or a judicial officer, our business activities have not been suspended, and we are not the subject of legal proceedings for any of the foregoing;
- c) I/We have fulfilled our obligations to pay taxes and social security contributions;
- d) I/We have not, and our directors or officers have not, been convicted of any criminal offence related to our/their professional conduct or the making of false statements or misrepresentations as to their qualifications to enter into a contract within a period of five years preceding the commencement of the procurement proceedings; and
- e) I/We do not have a conflict of interest in relation to the procurement requirement and the procuring entity.
- f) I/We have not been convicted of any criminal offence relating to professional conduct or the making of false statements or misrepresentations as to its qualifications to enter into a procurement contract within a period of five years preceding the commencement of procurement proceedings;



g) I/We are not subject to suspension in accordance with Section 55, and none of our directors or officers face endorsement or have already been endorsed on the Register for Tender Defaulters in accordance with the Prevention of Corruption Act, 2006.

Signed .....

Authorised Representative

Date .....



## **CONTRACT TERMS AND CONDITIONS**

### **1. DEFINITIONS**

1.1 In this Contract, the following terms shall be interpreted as indicated:

- a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- b) "The Contract Price" means the price payable to the Suppliers under the Contract for the full and proper performance of its contractual obligations.
- c) "The Services" means the professional service to be provided by the tenderer
- d) "The Procuring Entity" means the Eswatini Development and Savings Bank t/a EswatiniBank an organization purchasing the Services hereinafter referred to as the Bank.
- e) "The Supplier" means the individual or firm supplying the Professional Services under this Contract.

### **2. APPLICATION**

2.1 These Contract Terms and Conditions shall apply to the extent that they are not superseded by provisions of other parts of the Contract.

### **3. STANDARDS**

3.1 The services provided under this Contract shall be of the highest standard and shall be relevant and applicable to the business of banking

### **4. USE OF CONTRACT DOCUMENTS AND INFORMATION**

4.1 The Supplier shall not, without the Bank's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Bank in connection therewith, to any person other than a person employed by the Supplier in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so as may be necessary for purposes of such performance.

4.2 The Supplier shall not, without the Bank's prior written consent, make use of any document or information enumerated in Clause 4.1 except for purposes of performing the Contract.

4.3 Any document, other than the Contract itself, enumerated in Clause 4.1 shall remain the property of the Bank and shall be returned (in all copies) to the Bank on completion of the Supplier's performance under the Contract if so required by the Bank.

## **5. PATENT RIGHTS**

5.1 The Supplier shall indemnify and hold harmless the Bank against all third-party claims of infringement of patent, trademark, industrial design, or intellectual property rights arising from use of the knowledge and ideas to be shared or any part thereof.

## **6. PRESENTATION MATERIAL**

6.1 The Supplier shall package any learning material in an organised and professional manner to enable focused learning and facilitation of the strategic planning session.

## **7. PAYMENT**

7.1 The method and conditions of payment to be made to the Supplier under this Contract shall be specified in the Contract document.

7.2 The Supplier's request(s) for payment shall be made to the Bank in writing, accompanied by an invoice describing, as appropriate, the services performed and upon fulfilment of other obligations stipulated in the Contract.

7.3 Payment shall be made promptly by the Bank, but in no case later than thirty (30) days after submission of an invoice or claim by the Supplier unless otherwise stated in the Contract.

7.4 The Supplier's Banking Details and TIN numbers must be clearly indicated on all invoices

## **8. PRICES**

8.1 Prices charged by the Supplier for Services performed under the Contract shall not vary from the prices quoted by the Supplier in its tender.

8.2 All such prices shall be valid for the three year period

## **9. CHANGE ORDERS**

9.1 The Bank may, at any time, by a written order given to the Supplier, make changes within the general scope of the Contract in any one or more of the following:

- a) Services to be provided by the Supplier
- b) Frequency of services / consultations to be provided by the Supplier
- c) The place of service delivery; and/or

9.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract price or delivery schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this clause must be asserted within thirty (30) days from the date of the Supplier's receipt of the Bank's change order.

## **10. CONTRACT AMENDMENTS**

10.1 Subject to Clause 9, no variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties.

## **11. ASSIGNMENT**

11.1 The Supplier may not assign, in whole or in part, its obligation to perform under this Contract except with the Bank's prior written consent.

## **12. SUBCONTRACTS**

12.1 The supplier may not enter into any subcontract for performance hereunder unless the Bank shall have previously consented in writing to such consent or in the Contract, relieve the Supplier from any liability or obligation under the Contract.

## **13. DELAYS IN THE SUPPLIER'S PERFORMANCE**

13.1 Performance of services shall be made by the Supplier in accordance with the time schedule to be agreed with the Bank.

13.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely Performance of Services, the supplier shall promptly notify the Bank in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of Suppliers' notice, the Bank shall evaluate the situation and may at its discretion extend the Supplier's time of performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the contract.

13.3 A delay by the Supplier in the Performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages unless an extension of time is agreed upon.

## **14. TERMINATION FOR DEFAULT**

14.1 The Bank, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate this contract in whole or in part:

- a) If the supplier fails to deliver any or all of the services within the period specified in the contract, or within any extension thereof granted by the Bank
- b) If the supplier fails to perform any other obligation(s) under the contract.

14.2 In the event the Bank entity terminates the contract in whole or in part, pursuant to clause 14.1, the Bank may procure, upon such terms and in manner as it deems appropriate the services of another service provider and the supplier shall be liable to the Bank for any excess cost for such similar services. However, the supplier shall continue performance of the contract to the extent not terminated.



## **15. FORCE MAJEURE**

15.1 Notwithstanding the provision of Clause 13 and 14, the supplier shall not be liable for liquidated damages or termination for default if and to the extent that its delay in performance or other failure to perform its obligation under the contract is the result of Force Majeure

15.2 For purposes of this Clause, "Force Majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include but are not restricted to wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

15.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Bank, in writing of such condition and the cause thereof. Unless otherwise directed by the Bank in writing, the Supplier shall continue to perform its obligation under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **16. TERMINATION FOR INSOLVENCY**

16.1 The Bank may at any time terminate the Contract by giving written notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Bank.

## **17. RESOLUTION OF DISPUTES**

17.1 The Bank and the Supplier shall make every effort to resolve amicably, by direct informal negotiation any disagreement, disputes, or claim arising out of or in connection with the contract or the breach, termination, or validity thereof.

17.2 If, after thirty (30) days from the commencement of such informal negotiations, the Bank and the Supplier have failed to negotiate such an amicable settlement, any dispute, controversy, or claim arising out of or in connection with this contract, or the breach, termination, or validity thereof, either party may require that the dispute be referred for resolution by final and binding arbitration.

17.3 The arbitrator shall determine the matters in dispute in accordance with the laws of the Kingdom of Eswatini.

17.4 All notices to be given in connection with the arbitration shall be in writing and shall be effective upon receipt.

## **18. APPLICABLE LAW**

18.1 The contract shall be interpreted in accordance with the laws and regulations in effect in the Kingdom of Eswatini.

## 19. NOTICES

19.1 Any notice given by one party to the other pursuant to this contract shall be sent to the other party in writing by personal delivery, mail, or e-mail or facsimile and, if by e-mail or facsimile, confirmed in writing to the other party's address specified in the special conditions of contract. Each party may change such address by notice to the other party.

19.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

## 20. TAXES AND DUTIES

20.1 The Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies incurred or imposed in preparing for and execution of the contract.

