



Request for Proposals: Service Contract

1. ASSIGNMENT SUMMARY

Title of Assignment	External Audit and Annual Tax Computations
Location of assignment	Lusaka
Reports to	Chief Executive Officer (CEO)
Anticipated Start Date	April 1st, 2024

2. ABOUT PROSPERO

Prospero Limited supports private sector development and facilitates impact investment, transitioning growth-stage businesses across Zambia into viable recipients for impact capital. We focus on companies that will have an impact on the development of Zambia.

Our Key Services Include:

- Strengthening innovative, inclusive and environmentally sustainable business models (e.g. designing and developing climate-smart solutions with agribusinesses and renewable energy solutions for rural entrepreneurship hubs in remote locations).
- Enterprise-led market development in key sectors of the Zambian economy (e.g., facilitating development and coordination of market-led value chains)
- Identifying and building capacity of high-growth potential businesses
- Developing innovative and impactful financing mechanisms
- Investment facilitation services (e.g., SME investment readiness preparation and investor linkages).

3. CONTEXT OF THE ASSIGNMENT

The organization is seeking a qualified service provider to conduct an independent audit for the financial year ending March 2024. The purpose of the audit is to provide assurance on the fairness and reliability of the financial statements and to assess compliance with relevant regulations.

4. OBJECTIVE(S) OF THE ASSIGNMENT

The Objective of the audit is to express an opinion on the statutory financial statements of Prospero Limited, prepared in accordance with Internal Financial Reporting Standards (IFRS) and Companies Act requirements and to carry out the annual tax computations for Prospero Limited.

The audit should be conducted in accordance with International Standards on Auditing (ISAs) and take into consideration all governing clauses of Prospero Limited's funding agency. The auditors will undertake a thorough review of the files, records and reports of Prospero Limited, inspect assets and carry out any other work that may be relevant with a view to:

- I. Obtaining reasonable assurance about the completeness, validity, accuracy, and valuation of transactions and of incomes, expenditures, assets and liabilities recorded in the financial statements.
- II. Obtaining sufficient and appropriate evidence to enable an understanding of the internal control systems to assess their adequacy as a basis for preparation of financial statements and determining whether proper records for expenditure have been maintained.
- III. Obtaining and examining Prospero Limited's accounts for the period and determine whether they present a true and fair view of the financial position of the organization and that they have been properly prepared in accordance with IFRS and the Companies Act.
- IV. Reviewing controls on expenditure and assess the adequacy of the control procedures.
- V. Identifying specific deficiencies and areas of weakness in the system and controls and making necessary recommendations for improvements.
- VI. Carry out the annual tax computations for Prospero Limited.

Other Audit Responsibilities

The Auditors must perform the following steps:

1. Hold entrance and exit meetings with Prospero Zambia management.
2. During the planning stages of the audit, communicate information to the audited regarding the nature and extent of planned testing and reporting on compliance with laws and regulations and internal control over financial reporting. Such communication must state that the Auditors do not plan to provide opinions on compliance with laws and regulations and internal control over financial reporting. Written communication is preferred. Auditors must document the communication in the audit documentation files.
3. Institute quality control procedures to ensure that sufficient competent evidence is obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. While Auditors may use their

standard procedures for ensuring quality control, those procedures must, at a minimum, ensure that:

- Audit reports and supporting audit documentation files are reviewed by an auditor, preferably at the partner level, who was not involved in the audit. This review must be documented in the audit documentation files.
- All quantities and monetary amounts involving calculations are footed and cross-footed; and
- All factual statements, numbers, conclusions, and monetary amounts are cross-indexed to supporting audit documentation files.

4. Evaluate the supplemental information prepared and provided to recognize accrual activity such as expenses incurred but not yet paid for and portion of the outstanding advances that are assets at the end of the period.

5. SCOPE OF WORK

The Auditors will issue an audit opinion on the Financial Statements – whether these are free of material misstatements based on the review and assessment of conclusions drawn from evidence obtained during the audit. In addition to the audit opinion, the auditor will prepare a management letter, in which the auditor will:

- a) Give comments and observations on the accounting records, systems and controls examined during the audit exercise, and identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- b) Report on any lack of compliance.
- c) Communicate matters that have come to their attention during the audit which might have significant impact on the operations of the organization; and
- d) Make any other value adding recommendations with respect to the operations of Prospero Limited.

6. DELIVERABLES

The deliverables from this assignment and the due dates for submission are:

Deliverable	Due date
Inception report	1 May 2024
Assignment Completion report	1 September 2024

7. PROFILE OF THE SERVICE PROVIDER

The audit Firm should provide evidence of the following:

- i. Strong knowledge and experience (minimum of ten (10) years) in auditing large donor funded organizations.
- ii. Strong knowledge and experience in auditing large multi-located organizations in general.
- iii. Strong and specific experience with International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS).
- iv. Strong information systems auditing capability.
- v. Ability to deliver within the prescribed deadlines.
- vi. Registration with Zambia Institute of Chartered Accountants
- vii. Professional qualifications and experience of the audit team members

8. PROPOSAL SUBMISSION GUIDELINES

Interested parties intending to submit a proposal may request clarifications to the assignment terms of reference at any point up to seven days before the deadline for submission given below.

Potential service providers are required to submit proposals for this assignment comprising:

- Technical proposal (no more than 6 pages) comprising:
 - Individual/corporate profile, highlighting relevant experience with specific references to past assignments.
 - Understanding of the assignment and any comments on the objectives, scope of work or deliverables
 - Methodology to deliver against the assignment objectives.
 - Roles and names of key personnel
 - Risk management and mitigation plan for the assignment
- Curriculum vitae for key personnel named in the proposal (no more than 2 pages per person)
- Financial proposal (in a MS Excel compatible spreadsheet) showing:

- **Fees:** Names and roles of individuals, number of days input, daily fee rates and total cost (gross of all taxes)
- **Reimbursable expenses budget:** Items of expenditure, definition of units, number of units required, maximum cost per unit, and maximum budget for each item of expenditure including budget notes. (Note: expenses will be reimbursed at cost, up to the maximum cost per unit in the budget)
- **Proposed payment schedule:** Payments on contracting, inputs and deliverables.

Prospero may reject any proposal that does not comply with the required format at its sole discretion.

Potential service providers should submit their proposal electronically to:

Submission email address	procurement@prospero.co.zm
Deadline for submission	March 1st, 2024


Prospero reserves the right to amend, extend or cancel this request for proposals at any stage. The costs of preparing proposals are entirely on the account of the organisation/consultant preparing the proposal.

9. PROPOSAL EVALUATION AND CONTRACT AWARD

Prospero will seek (but does not guarantee) to complete an evaluation of compliant proposals within five days of the deadline for submission. The preferred bidder will be informed and invited to contract negotiations. If the contract negotiations with the preferred bidder are unsuccessful, Prospero may either;

1. cancel the request for proposals, or
2. identify an alternative preferred bidder based on the evaluation of the remaining proposals.

In any case, contract award will be subject to the standard Prospero due diligence assessment.



Prospero will provide feedback to shortlisted applications within 14 days after the deadline for submission.

10. APPLICABLE TAXES

Prospero is in full compliance with the tax laws of the Republic of Zambia and will make any necessary deductions for withholding taxes (WHT) or any other applicable taxes when making any payment to an independent consultant or contractor. Guidance on applicable deductions and rates can be obtained on the Zambia Revenue Authority (ZRA) website - www.zra.org.zm/