



## **REQUEST FOR PROPOSALS**

**TITLE OF THE TENDER:**

**CONSULTANCY FOR CONDUCTING EXTERNAL AUDIT AND ANNUAL CERTIFICATION OF FINANCIAL STATEMENTS OF UFC 2015, 2016 AND 2017**

**Tender Reference Number:** **002/U.F.C.HQ/2015/Re-advert**

**Procurement Method:** **OPEN TENDERING**

**Date of 1<sup>st</sup> Issue:** **16<sup>th</sup> March 2015**

**Date of re-advertisement** **14<sup>th</sup> August 2015, Modified 19/08/15**

**Bids closing date:** **21<sup>st</sup> August 2015, 10:00 am**

**Bids opening date:** **21<sup>st</sup> August 2015, 10:05 am**

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**Section 1. Letter of Invitation  
INVITATION TO TENDER**

**REQUEST FOR PROPOSALS (RFP) N° 002/U.F.C.HQ/2015 (Re-advert)**

UMUTANGUHA FINANCE COMPANY Ltd (UFC) invites qualified bidders (tenderers) to submit bids (tenders) for **the consultancy for conducting external audit and annual certification of financial statements of UFC 2015, 2016 and 2017**

The RFP document written in English is available at the Head office located at NYAMIRAMBO, KN2 Avenue, building No 177, 1<sup>st</sup> Floor, opposite Kigali Regional Stadium, from August 14<sup>th</sup> 2015. It can also be requested on UFC email [ucurw@yahoo.fr](mailto:ucurw@yahoo.fr).

Well printed bids (tenders), properly bound and presented in four copies one of which is the original must reach the Head Office not later than **21<sup>st</sup> August 2015 at 10:00AM local time**. Bids can alternatively be submitted electronically in PDF format via [ucurw@yahoo.fr](mailto:ucurw@yahoo.fr) ten (10) minutes before the deadline. Late bids will be rejected. The outer envelope or the object of the email should clearly indicate the title and reference number of tender.

Technical and financial Bids will be opened in the presence of bidders wishing to participate to that event on 21<sup>st</sup> August 2015 at 10:05 AM local time at UFC head office.

The designated envelope (for hard copy bids) should be containing both the technical specifications on the quality of the audit services. Each of these envelopes must clearly indicate the content ("Technical" and "Financial").

Bids must be:

- Signed by the tenderer or his duly authorized representative;
- Perfectly legible so that there can be no doubt as to words and figures;

Period of validity of the tender, during which the tenderer may not modify the terms of his tender in any respect must be at least 3 months after the deadline for submission of tenders.

Contacts between the contracting department and tenderers are prohibited throughout the procedure save in exceptional circumstances and under the following conditions only:

- **Before the final date for submission of tenders:**
  - At the request of the tenderer, the contracting department may provide additional information solely for the purpose of clarifying the nature of the contract. Any requests for additional information must be made in writing only to the following e-mail:
    - [ucurw@yahoo.fr](mailto:ucurw@yahoo.fr)

Such requests for clarification, together with the responses, will be communicated to all interested bidders who will have provided their email addresses.

Requests for additional information received after August 19<sup>th</sup>, 2015 (5:00 PM) will not be processed (for practical reasons).

- The BoD may, on its own initiative, inform interested parties of any error, inaccuracy, omission or any other clerical error in the text of the call for tenders. This information will be sent simultaneously to tenderers who have requested the specifications and through the same ways we used for advertizing this tender.

- **After the opening of tenders**

- If clarification is required or if obvious clerical errors in the tender need to be corrected, UFC may contact the tenderer provided the terms of the tender are not modified as a result.

Up to the point of signature, UFC may cancel the procurement procedure, without the candidates or tenderers being entitled to claim any compensation. This decision must be substantiated and the candidates or tenderers notified. All correspondences after the opening date will be done through email addresses that the bidders will have communicated and this communication are considered to be official. Bidders are strongly encouraged to check the status of their applications on their emails. UFC will assume that the email is delivered unless it will receive a failure notice.

UFC may or not inform you whether or not your tender has been accepted. The follow up of your response to the invitation to tender will require the recording and further processing of personal data.

Except if mentioned otherwise, replies to questions and personal data requested are necessary and should be criteria for the purpose of assessing your tender according to the specifications of the invitation to tender and will only be processed by UFC committee for this purpose. You may, upon request, obtain the communication of your personal data and rectify any inaccurate or incomplete personal data. Should you have any queries concerning the processing of your personal data, please address them to UFC.

We look forward to receiving your tender in response to these tender documents.

Yours sincerely,

**Jacques NYARUGABO MUKIZA**  
**President of the Board of Directors**

Date: 14/08/2015, Modified 19/08/2015, 11:40 AM

**Section 2. Instructions to Provider & Consultants  
Data Sheet**

<b>Paragraph Reference</b>	
<b>1.1</b>	<p><b>Name of the Client:</b> UMUTANGUHA FINANCE COMPANY (UFC) Ltd</p> <p><b>Method of selection:</b> Quality, Market knowledge and Cost Based Selection (QMCBS)</p>
<b>1.2</b>	<p><b>Financial Proposal to be submitted together with Technical Proposal:</b>Yes</p> <p><b>Name of the assignment is:</b> Consultancy for conducting external audit and annual certification of financial statements of UFC 2015, 2016 and 2017</p>
<b>1.3</b>	<p><b>A pre-proposal conference will be held:</b>No</p>
<b>1.4</b>	<p>The Client will provide the following inputs and facilities:</p> <ul style="list-style-type: none"> <li>■ <u>Mid-term audit covering the 1<sup>st</sup> Semester (once a year)</u></li> <li>■ <u>Audit and financial statements certification recognised by BNR, RRA and other stakeholders (once a year)</u></li> </ul>
<b>1.5</b>	<p>Proposals must remain valid for 90 days after the submission date.</p>
<b>2.1</b>	<p><b>Proposals shall be submitted in the following languages:</b> English</p>
<b>2.2</b>	<p><b>Shortlisted Consultants may associate with other shortlisted Consultants:</b> No</p>
<b>3.1</b>	<p>Consultant to state local cost in the national currency: <b>Yes</b></p>
<b>3.2</b>	<p>Consultant must submit either:</p> <p>(I) <u>Hard documents (plus an electronic version on CD):</u></p> <p style="margin-left: 20px;">(a) one original and (2) copies of the Technical Proposal</p> <p style="margin-left: 20px;">(b) One original and (2) copies of the Financial Proposal.</p> <p>(II) <u>Electronic bids</u></p> <p style="margin-left: 20px;">(a) A PDF file of the Technical Proposal</p> <p style="margin-left: 20px;">(b) A PDF file of the Financial Proposal.</p>
<b>3.3</b>	<p>The Proposal submission address is:</p> <p><b>President of the Board of Directors of UFC</b>  <b>P.O Box. 2998 Kigali, phone: +250 252 504 301, Reception</b>  <b>Or :</b>  <b>Email address: <a href="mailto:ucurw@yahoo.fr">ucurw@yahoo.fr</a> (for electronic proposals)</b>  Proposals must be submitted not later than the following date and time:  <b>10:00 hours AM Rwanda Standard Time on August 21<sup>st</sup>, 2015</b></p>

<p><b>3.4</b></p>	<p>Criteria and sub-criteria for the evaluation of Full Technical Proposals are:</p> <p style="text-align: right;"><u>Points</u></p> <p>(i) Specific experience of the consultant relevant to the assignment: [15]</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>1. Specific experience of the consultants related to the assignment</b></p> <p>1.1 Experience in audit of the financial institutions (name of the Financial institutions, at least three (3) completion certificates, etc.)</p> <p>1.2 Experience in Rwanda taxation procedures (name of the Financial institutions, at least three (2) certificates, etc.)</p> <p>1.3 Experience in accounting for financial institutions (name of the Financial institutions, at least three (3) certificates, etc.)</p> </div> <p>(ii) Adequacy of the proposed methodology and work plan [10]</p> <p>The breakdown of the technical score is as shown below:</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>2. Adequacy of the proposed work plan and methodology in responding to the TOR</b></p> <p>2.1 Organizational set up proposed for the assignment – 2</p> <p>2.2 Technical Approach &amp; Methodology—5</p> <p>2.3 Time bound work plan – 3</p> </div> <p>(iii) Key professional staff qualifications and competence for the assignment <b>(Compulsory)</b></p> <ol style="list-style-type: none"> <li>1. Professional accountant having ACCA and/or CPA (with proof), 5</li> <li>2. Tax advisor authorized by RRA for large companies (with proof),5</li> <li>3. Microfinance Auditors authorized by BNR (with proof),5</li> <li>4. Be registered with ICPAR (Practitioner), 5</li> <li>5. Microfinance or bank knowledge, 5</li> </ol> <p style="text-align: right;">Total points for the key staff [25]</p> <p>Note: The CVs of key professionals shall be evaluated as below: (The CV of individual applicant must combine all the above)</p> <p>A. General academic qualification with respect to prescribed minimum qualification and attested by notarized degrees and certificates.</p> <p>B. Adequacy for the project:</p> <ol style="list-style-type: none"> <li>Bi. Experience in the sector of specialization</li> <li>Bii. Experience in similar assignment</li> <li>Biii. Experience of working with at least 3 financial institution</li> </ol>
	<p style="text-align: right;"><b>Total points for the four criteria: 50</b></p> <p>The minimum technical score required to pass is: <b><u>40</u></b> Points</p>

<b>3.5</b>	<p>The formula for determining the financial scores is the following:</p> <p><math>S_f = 100 \times F_m / F</math>, in which <math>S_f</math> is the financial score, <math>F_m</math> is the lowest price and <math>F</math> the price of the proposal under consideration.</p> <p>The weights given to the Technical and Financial Proposals are: <b>TP= 50</b> <b>FP = 50</b></p> <p>UFC has rights to reject all proposals if they are above its financial means after negotiations with the successful bidders.</p>
<b>3.6</b>	<p>Expected date for commencement of consulting services: <b>September 2015.</b></p>

**Administrative Documents to be submitted:**

1. Copy of Domestic Registration
2. Original or Electronic copy of the valid tax clearance certificate by the Revenue office



**Section 3. Technical Proposal - Standard Forms**

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## Technical Proposal Submission Form

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[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope/email.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

We understand you are not bound to accept any Proposal you receive and that further correspondences will be done through the email address I communicated below. Any communication done through it will be considered as received by us (consultant).

We remain,

Yours sincerely,

Signature of the Consultant: \_\_\_\_\_

Name of the Consultant: \_\_\_\_\_

Address (including email): \_\_\_\_\_

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**Form TECH-1: Consultant's Organization and Experience**


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**A – Consultant's Organization**

*[Provide here a brief (two pages) description of the background and organization of yourself (for individuals) or your firm/entity and each associate (if any) for this assignment.]*

**B – Provider & Consultant's Experience**

*[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. Use 10 pages.]*

Assignment name:	Approx. value of the contract (in current RWF):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total N <sup>o</sup> of staff-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current RWF):
Start date (month/year): Completion date (month/year):	N <sup>o</sup> of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Firm's Name: \_\_\_\_\_

**Form TECH-2: Comments and Suggestions on the Terms of Reference and on  
Counterpart Staff and Facilities to be Provided by the Client**

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**A - On the Terms of Reference**

*[Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.]*

**B - On Counterpart Staff and Facilities**

*[Comment here on counterpart staff and facilities to be provided by the Client according to Paragraph Reference 1.4 of the Data Sheet including: administrative support, office space, local transportation, equipment, data, etc.]*

### **Form TECH-3: Description of Approach, Methodology and Work Plan for Performing the Assignment**

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*[Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal (50 pages, inclusive of charts and diagrams) divided into the following three chapters:*

- a) Technical Approach and Methodology,*
- b) Work Plan, and*
- c) Organization and Staffing,*

*a) Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.*

*b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here.*

*c) Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.]*

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**Form TECH-4: Team Composition and Task Assignments**

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<b>Professional Staff</b>				
Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned

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**Form TECH-5: Curriculum Vitae (CV) for Proposed Professional Staff**

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1. **Proposed Position** [*only one candidate shall be nominated for each position*]: \_\_\_\_\_
2. **Name of Firm** [*Insert name of firm proposing the staff*]: \_\_\_\_\_
3. **Name of Staff** [*Insert full name*]: \_\_\_\_\_
4. **Date of Birth:** \_\_\_\_\_ **Nationality:** \_\_\_\_\_
5. **Education**[*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment*]: \_\_\_\_\_
6. **Membership of Professional Associations:** \_\_\_\_\_
7. **Other Training** [*Indicate significant training since degrees under 5 - Education were obtained*]: \_\_\_\_\_
8. **Countries of Work Experience:** [*List countries where staff has worked in the last ten years*]: \_\_\_\_\_
9. **Languages**[*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]: \_\_\_\_\_
10. **Employment Record**[*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

From [Year]: \_\_\_\_\_ To [Year]: \_\_\_\_\_

Employer: \_\_\_\_\_

Positions held: \_\_\_\_\_

<p><b>11. Detailed Tasks Assigned</b></p> <p>[<i>List all tasks to be performed under this assignment</i>]</p>	<p><b>12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</b></p> <p>[<i>Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.</i>]</p> <p>Name of assignment or project: _____</p> <p>Year: _____</p> <p>Location: _____</p> <p>Client: _____</p> <p>Main project features: _____</p> <p>Positions held: _____</p> <p>Activities performed: _____</p>
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**13. Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date: \_\_\_\_\_

[*Signature of staff member or authorized representative of the staff*] \_\_\_\_\_ Day/Month/Year

Full name of authorized representative: \_\_\_\_\_

**FormTECH-6: Staffing Schedule for Year 1**

N°	Name of Staff	Staff input (in the form of a bar chart)													Total staff-day input			
		1	2	3	4	5	6	7	8	9	10	11	12	n	Home	Field <sup>3</sup>	Total	
<b>Local</b>																		
1		[Home]																
		[Field]																
2																		
n																		
										<b>Subtotal</b>								
										<b>Total</b>								

- 1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).
- 2 Months are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.
- 3 Field work means work carried out at a place other than the Provider & consultant's home office.

 Full time input  
 Part time input



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**Section 4. Financial Proposal - Standard Forms****FORM FIN-1. FINANCIAL PROPOSAL SUBMISSION FORM**

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[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures]. This amount is inclusive of all expenses during implementation and of the taxes, which will be identified during negotiations.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

We understand you are not bound to accept any Proposal you receive and that further correspondences will be done through the email address I communicated below. Any communication done through it will be considered as received by us (consultant).

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name of Consultant: \_\_\_\_\_

Address (including email address): \_\_\_\_\_

**Note financial proposal:**

- 1) The financial proposal will cover the 1<sup>st</sup> year (2015 (and 2016 as well 2017 if any increase is expected)
- 2) The cost for one year will be the same for subsequent years, in case of renewal of the contract
- 3) The financial proposal should clearly indicate the following:
  - The remuneration for proposed personnel to the assignment
  - The administrative costs as well as the logistics thereof.
- 4) The financial proposal should clearly separate the cost of each of the two phases of the year (Mid-term audit covering the 1<sup>st</sup> semester, and Annual audit covering the whole year).



### Group of Activity 2: Annual Audit

III. Personnel/Staff			[RWFS ]
Names and Position	Rate personnel/ Day	Number of days	
<b>Sub Total/ Staff</b>			
<b>IV. Administrative/ Support, Logistics (Transport to branches, accomodation, etc)</b>			
Description	Unit cost	Number of Units	RWF
<b>Sub total</b>			
<b>GRAND TOTAL (Activity I)</b>			

## **Section 5. Terms of Reference (ToR) for the recruitment of an external auditor of the financial statements of UMUTANGUHA FINANCE COMPANY (UFC) for the financial years 2015, 2016, 2017**

### **5.1. INTRODUCTION**

UMUTANGUHA Finance Company (UFC) is a microfinance institution established in 2003 and operating in Rwanda with the main value “Inclusive finance for development”, while its main mission is “Facilitating access to client- driven financial services and accompanying non financial services to all financial excluded population mainly those living in rural areas, with a particular focus on farmers, entrepreneurs, women and youth especially living in rural areas in order to enable them saving and creating small income generating projects and reduce poverty”.

More particularly, the current UFC branch network is composed of 7 branches (located in Nyarugenge, Nyamagabe, Rubavu, Ngororero, Nyabihu and Nyanza) all working on the same server but with possibility of extracting the financial reports for every branch or extracting the consolidated financial statements. UFC is planning to open 3 branches in the next three years and also plans to use agency and mobile banking in order to increase its outreach. Currently, UFC serves about 55,000 individual clients and groups with total assets of about RWF 3 billion and a loan portfolio of about RWF 2.2 billion.

The microfinance laws and regulations as well as internal procedures requires that at least once every three years, the institution must hire an independent audit firm to carry out the auditing and the authentication of the financial statements of the company. Furthermore, the BoD found it necessary that the audit be held twice a year with the main audit to be carried out in the 2<sup>nd</sup> month following the end of the financial year, and the mid-term audit to be carried out in the 2<sup>nd</sup> half of the month following the end of a semester.

The following terms of references are prepared based on the above.

### **5.2. OBJECTIVES OF THE AUDIT**

The objective of the audit is to give an independent opinion and provide detailed reports:

- ✓ on the annual financial statement of the periods 2015, 2016 and 2017;
- ✓ On the financial position of the periods 2015, 2016 and 2017;
- ✓ On the statement of comprehensive income for the same periods
- ✓ On the statement of changes in equity for the period for the same periods
- ✓ On the statement of cash flow for the same periods
- ✓ On the maintenance and accuracy of financial records; and
- ✓ On the compliance of the entire company’s operations given the laws and local regulations applicable, in accordance with the international auditing standards, the

microfinance laws and regulations, the taxation law and procedures and the internal regulations of UFC.

A Mid-term audit, covering the above will also be conducted in order to make sure that the audit consultant/ firm has covered all the branches and head office during a one year period.

The external auditor must ensure that the financial statements present the true and fair view of the financial position, performances and cash flows of the Company. When the financial statements do not present the true and fair view of the Company's financial position and performance, the external auditor must suggest the necessary adjustments and provide assistance in terms of format and content in preparing the future financial statements. The auditor must make critical approach of the current accounting system, internal audit, organization of accounting information and preparation of the financial statements. The auditor must verify the cash accounts, the registers and the main loan portfolio of the Company and provide suggestions or recommendations based on his findings.

The external auditor must also verify the accomplishment of Company's statutory missions and its measurement and management capacity of the risks to which it is exposed in its daily activities.

Apart from the aforementioned, the auditor will comply to the BNR instructions regarding external audit of MFIs in Rwanda.

### **5.3. SCOPE OF THE AUDIT**

#### **5.3.1. FINANCIAL STATEMENTS**

The examination will include all the tests, confirmations, observations and controls deemed necessary by the auditor and will include at least the following tasks:

- A. To examine the list of the Company's assets, to ensure their existence and their utilization by the Company with respect to the prevailing laws and regulations. Specifically, this will involve analyzing the content of the following items:
  - Due from Banks and other financial institutions,
  - Loan portfolio
  - Loans and advances to staff,
  - Transit suspense accounts: to submit a detailed report on the movements observed on these accounts,
  - Fixed assets,
  
- B. To examine the list of the Company's liabilities and equity, ensure on their correctness and compliance to the prevailing laws and regulations applicable. Specifically, this will involve analyzing the content of the following items:
  - Borrowings from banks and other partners
  - Clients deposits and other related accounts,
  - The money that the company owes to the Government entities (taxes, pensions, etc)
  - Donors/partners' funds not yet utilized

- Other liabilities which include all the liabilities other than the two above mentioned,
  - Accrual accounts: to make a detailed report on movements observed on this account,
  - Equity and other related accounts
- C. To examine the Company's income statement elements and to check its correctness with emphasis on the following:
- The Company's revenue proofs ( interest and non-interest revenues proofs);
  - The Company's operating expenses (interest and non interest expenses);
  - The gains/losses related to the foreign currency revaluation;
  - The capital expenditure;
  - The operating income/loss of the Bank and its appropriation.
  - Verify the accuracy of gains and their compliance with the rules;
  - The expenses of UFC: verify the accuracy of the accounting documents related to all costs incurred by the Company during the years 2015, 2016 and 2017 and their compliance with the rules of the Company;
  - Capital expenditure made by the Company: accuracy and compliance with the budget adopted by the Board of Directors;
  - Verify the annual and bi-annual operating result and the non-operating of the Company and the regularity of its affectation;
  - Verify the breakdown of equity statement;
  - Verify the cash flow statements
- D. To verify that accounting system recorded information have the supporting documents containing the visa of the authorized persons,
- To verify whether all outstanding debits and credits accounts are regularly analyzed and followed up,
  - To examine the positions of each cash teller's counter and ensure that they are accurately recorded,
  - To verify that all the Company's accounts reconciliation reports are regularly prepared and their consistence as per the information from the correspondent Banks.

### **5.3.2. RELATIONSHIPS WITH CLIENTS**

The auditor must give his opinion on the conditions and modalities adopted by the Company to grant advances and loans to its clients.

### **5.3.3. OTHER OPERATIONS**

The auditor must give his independent opinion on the way the assets of the Company are managed considering the prevailing legislation. He will also verify if the statutory missions of UFC were correctly accomplished.

### **5.3.4. OTHER PROVISIONS**

The auditor will familiarize himself with the following documents:

- a) UFC Article of association
- b) Strategic issues

- c) Marketing issues
- d) All the internal regulations and procedure manuals
- e) Official minutes of the Board of Directors;
- f) All financing agreements by donors etc...
- g) The Company's organization and management;
- h) The annual budget of the Bank adopted by the Board of Directors;
- i) The UFC internal audit reports.

### **5.3.5. REPORTS TO BE PROVIDED**

At the end of every mission, the auditor will:

- present the outcome of the audit work carried out in a summarizing table,
- Advise the company on the observed failures or missing,
- Submit and discuss audit findings and the final report with UFC

The auditor will provide the following reports:

- Auditor's opinion on the accuracy of the elements of the Company's annual financial statements,
- Report on internal control structure with a clear identification of the weaknesses and recommendations mainly on:
  - ✓ operational procedures,
  - ✓ accounting procedures,
  - ✓ assets safeguard procedures;
  - ✓ Procurement and tendering procedures.

### **5.3.6. AWARD OF THE CONTRACT**

The contract will be awarded to the contractor for the period of 2015, renewable twice upon successful delivery as decided by the Board of Directors

### **5.3.7. IMPLEMENTATION SCHEDULE OF THE AUDIT**

#### **i. Beginning of the Audit**

The contract of audit will be signed with the UFC immediately after the tender award and the auditor will start his mission at any time after the financial statements of the 1<sup>st</sup> semester of 2015 will be availed.

#### **ii. Submission of the draft report**

The auditor will submit his/her draft report to the UFC not later than one month after the commencement of all missions.

#### **iii. Submission of the final report**

The auditor will submit his/her final report at the latest 10 days after the submission of the draft report with respect to the contract period in four copies and soft copy.

#### **5.4. REQUIRED QUALIFICATION AND EXPERIENCE**

The consultant firm should propose key staff so that all the following experiences and qualifications are met by the whole team (with proof):

- ✓ Have experience in audit of the financial institutions
- ✓ Have experience in Rwanda taxation procedures for large companies
- ✓ Have experience in accounting for financial institutions
- ✓ Professional accountant having ACCA and/or CPA
- ✓ Be registered with ICPAR (Practitioner)
- ✓ Microfinance Auditors authorized by BNR,
- ✓ Experience in similar assignment

In case of an individual consultant applying for the whole assignment, he/she should meet all the above experiences and qualifications.

#### **5.5. COSTS AND TERMS OF PAYMENT**

The bidders will specify in their proposals prices for the audit of 2015 (and 2016 as well 2017 if any increase is expected)

Payments will be done in RWF by the UFC and the payment modalities will be as specified in the contract.

The auditor will provide sufficient competent and professional personnel to ensure the service of high quality and meet the deadline.

#### **5.6. LANGUAGE**

The audit reports shall be produced in **English**. The management letter shall be in both **English and French**.

**Section 6: MODEL OF CONTRACT FOR CONSULTANTS'  
SERVICES**

**Lump-Sum Remuneration**

Between

**UMUTANGUHA FINANCE COMPANY (UFC)**

And

.....

Dated:

**CONTRACT N° ...../2015/UFC FOR  
..... SERVICES TO UMUTANGUHA  
FINANCE COMPANY**

**BETWEEN,**

**The UMUTANGUHA FINANCE COMPANY, UFC** in short, headquartered in Kigali, P.O Box. 2998 Kigali, hereafter called —**the Client**, represented by its President of the Board of Directors, Mr. Jacques NYARUGABO MUKIZA, on the one hand;

**AND**

.....herein represented by ..... in his official capacity and being duly authorized thereto and hereinafter referred to as the —Service Provider, Tel: ....., P.O. Box: ..... Kigali

**THE FOLLOWING HAS BEEN AGREED:**

**Article 1: Purpose of the contract**

The contract sets out the terms under which the Provider undertakes to provide ..... services to UMUTANGUHA FINANCE COMPANY.

**Article 2: Service Compliance, Reference Documents**

This Agreement shall be governed by the following documents:

- ✓ This contract;
- ✓ The tender document n° .....of .....
- ✓ The bid of the provider of .....

In the event of discrepancies among the provisions of the different documents, the one with precedence shall prevail.

**Article 3: Contract price**

The client having accepted the offer made by the Service Provider agrees to pay the former basing on the total prices of ..... The total price shall be unchangeable and shall not be subjected to revision.

**Article 4: Terms of payment**

The payment of the contract price provided for in article 3 shall be made after complete delivery of the services of .....within thirty working (30) days following the date of receipt of the invoice by the Client. The amount due to the Provider shall be transferred to the Provider’s account ..... at ..... in the name of.....

**Article 5: Advance payment**

At the Provider's request and upon signature of this contract, the Client shall grant the Provider an advance payment equivalent to 20 % of the contract price that is so to say,

.....  
 Payment of the above mentioned advance shall be subject to submission by the Provider of an inception report of the assignment.

The repayment of this advance will be made by deduction from the invoice to be paid to the Provider.

**Article 6: Duration of the contract**

The duration of this contract is ..... from the date of its signature by the two contracting parties.

**Article 7: Termination of the contract**

This contract may be terminated after receipt of 15 days written notice due to the following reasons:

- a) If the Service Provider fails to honor any of his obligations as specified in the contract;
- b) If the Client is not satisfied with the quality of the services provided by the Service provider during the previous year
- c) If the Service Provider is declared bankrupt or insolvent;
- d) If the Client fails to pay any monies due to the Service Provider pursuant to this contract.

Notwithstanding the provision of article 5 of this contract, this contract may be terminated at any time by any of the contracting parties by giving three months' written notice to the other party before such termination. The notification date shall be that of reception by the notified party.

**Article 8: Tax provision**

The prevailing tax provisions in Rwanda will be applied to all payments.

**Article 9: Force majeure**

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under this contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

Any period within which a Party shall, pursuant to this contract, complete any action or task shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

For the purpose of this contract, —Force Majeurel means an event which is beyond the reasonable control of a Party and which makes a Party's performance under the Contract impossible or so impractical as to be considered impossible under the circumstances.

**Article 10: Notices**

Any notice, request or consent made pursuant to this contract shall be in writing and shall be deemed to have been made when sent by registered mail or facsimile, to such other party at the following addresses:

**For the Client**

UMUTANGUHA FINANCE COMPANY .....  
KN 2 Avenue, 177 P.O. Box 2998 Kigali- Rwanda  
Tel: 0252 50 43 01

**For the Provider**

.....  
.....

**Article 11: Governing law**

The execution, effectiveness, performance and interpretation of this contract shall be governed by the laws of the Republic of Rwanda.

**Article 12: Disputes settlement**

Any disputes arising from or in connection with the interpretation or execution, of this contract shall be amicably settled by both of parties, and, in case of failure to do so, the injured party may refer the case to relevant courts of the Republic of Rwanda.

**Article 13: Commencement**

This contract shall come into force on the date of its signature by the two contracting parties.

Done at Kigali on ...../...../2015

**FOR THE SERVICE PROVIDER**

.....  
.....

**FOR THE CLIENT**

**Jacques NYARUGABO M**  
**President of the Board of Directors**