

Project/Activity Name:	KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT(KLMP)
Agresso Work Order:	KE0864HIKE00
Country:	KENYA

REQUEST FOR PROPOSAL

FINANCIAL AUDIT FOR THE KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT

RFP Release Date:	Tuesday 27 th May 2025
Proposal Submission Deadline:	Monday 16 th June 2025
Question/ Inquiry Submission Deadline:	Wednesday 11 th June 2025
Electronic submission to the attention of:	Procurement Kenya
Electronic submission:	procurement-ke@heifer.org
Contact information for inquiries about this RFP:	procurement-ke@heifer.org
Performance Period:	July – October 2025

BACKGROUND

Since 1944, Heifer International has worked with more than 43 million people around the world to end hunger and poverty in a sustainable way. Working with rural communities in 19 countries in Africa, Asia, and the Americas, including the United States, Heifer International supports farmers and local food producers to strengthen local economies and build secure livelihoods that provide a living income. Heifer started work in Kenya in 1981. Since then, Heifer Kenya has supported more than 682,000 families working in the dairy, meat, poultry, and horticulture value chains. Heifer Kenya is working with farmers to increase production and productivity by strengthening extension services and farmers' cooperatives where they gain vital skills that enable them to scale and sustain their businesses. Heifer Kenya implements its projects through 1) Community development and 2) enterprise development approaches. Each of the projects focuses on three priority directions, namely, strengthening, and diversifying the resource base, strengthening country program efficiency, and increasing outreach and impacts through the utilization of innovative value chain systems.

PROJECT OVERVIEW

The Kenya Livestock Marketing and Resilience project (KLMP) is part of the Heifer Kenya Signature Program, Practice for Change. The project will be implemented in 9 Counties across Kenya, namely: Kajiado, Isiolo, Busia, Kakamega, Nandi, Uasin Gishu, Trans-Nzoia, Nakuru and Bungoma. The overall goal of KLMP is to strengthen the production and marketing systems for improved livelihoods and resilience among 38,000 poultry and beef-producing households, moving them towards achieving a living income of USD 4,331 annually by 2026. KLMP is a co-created intervention between SIDA and Heifer Kenya aligning with the new SIDA Kenya strategy (2021-25).

The proposed project, KLMP, provides Heifer with the opportunity to expand into the beef value chain in the Arid and semi-Arid lands (ASALs) and deepen Heifer's interventions in the Lake Basin Economic Block (LBEB), targeting value chains with the highest impact among the smallholder farmers, youth, and women. The poultry value chain is one of the strongest value chains within the region, as identified through consultation with respective county governments and stakeholders in the LBEB. The KLMP project will contribute to Heifer Project International's Vision 2030, which aims to support 10 million smallholder farmers globally to achieve a sustainable living income by 2030, including through activities focused on strengthening production and marketing systems.

The KLMP project objectives include:

- Strengthening production systems for improved resilience and livelihoods
- Strengthening Market systems, Infrastructure, and Business relationships
- Pastoralists, Agro-Pastoralists and Partner Institutional capacities strengthening for natural resources management (NRM) and conservation.
- Empowerment of gender and youth for livestock value chains

OBJECTIVES AND SCOPE OF THE AUDIT

The Heifer Project International, hereafter referred to as the "Cooperation partner" wishes to engage the services of an audit firm for the purpose of auditing the Kenya Livestock Marketing and Resilience Project (KLMP), as stipulated in the agreement between the Cooperation partner and SIDA. The audit shall be carried out in accordance with international audit standards (ISA) issued by

IAASB¹ • In addition, an assignment according to International Standards on Related Services (ISRS) 4400 shall be carried out. The audit and the additional assignment shall be carried out by an external, independent, and qualified auditor.

The main objective of this assignment is to carry out an audit of the financial report for the period 1st September 2024 to 31st August 2025 as submitted to SIDA and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial report of Kenya Livestock Marketing and Resilience Project (KLMP) is in accordance with the Cooperation partner's accounting records and SIDA's requirements for financial reporting as stipulated in the agreement including appendices between SIDA and Cooperation partner (Agreement).

II Additional assignment: according to agreed-upon procedures ISRS 4400, review the following areas in accordance with the Terms of reference below

- Examine that salary costs debited to the project/programme are recorded throughout the inception period in a systemized way and examine whether the salary costs can be verified by sufficient supporting documentation.²
- Verify that expenses in the Year 2 implementation period compared to, every budget item approved, comparison between the actual costs/expenditures of activities and the budgeted costs/expenditures as approved by SIDA for the period.
- Based on materiality and risk the auditor shall examine whether there is supporting documentation related to costs incurred.
- Follow up whether Heifer Project International has implemented recommendations from the assessment of internal control performed by Ernst & Young LLP in May 2017. The examination includes reviewing whether Heifer Project International has implemented the action points as described in Heifer Project International's management response that has been submitted to SIDA
- Examine whether foreign exchange gains and losses can be identified and disclosed in accordance with what is stipulated in the agreement including appendixes.
- Examine Heifer Project International's compliance with the applicable tax legislation about taxes (e.g. PAYE)³ and social security fees.
- Follow up whether Heifer Project International has adhered to the procurement guidelines annexed to the agreement.
- Review if the outgoing balance for the previous period is the same as the incoming balance for the current period.
- Verify if Heifer Project International applies a modified cash basis as an accounting principle, the auditor shall motivate whether the applied accounting principle is acceptable for this type of financial report.

¹ The International Auditing and Assurances Standards Board (IAASB)

² If the budget includes salary costs to be debited to the project, the auditor shall always examine salary costs as stipulated here.

³ Pay As You Earn

Follow up of funds that are channeled to implementing partners.

- Does Heifer Project International have signed agreements with its partner organizations and evaluated the partner's capacity to manage project funds?
- Are the audit requirements in agreements with partner organizations in accordance with the audit requirements as stipulated in Heifer Project International's agreement with SIDA.
- Are the same requirements for reporting exchange rate gains/exchange rate losses as stipulated in the agreement between Heifer Project International and SIDA, included in the agreements between Heifer Project International and its implementing partners

REPORTING AND COMMUNICATION

The focal point for the financial audit will be the Director of Finance. The consulting firm will report to him during the duration of the engagement. The scope of this audit shall be clearly defined and stated within the report. The methodology employed during the audit process shall also be presented, detailing the procedures and standards followed.

The audit report shall be signed by the responsible auditor — not solely by the audit firm — and shall include the auditor's full name, professional title, and relevant credentials. The report shall also be appropriately titled to reflect its content and purpose.

The reporting from the auditor shall include an independent auditor's report in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated, as well as a Management letter with audit findings and weaknesses identified during the audit process. The auditor shall, regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the weaknesses identified and the recommendations shall be presented in priority order. If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

As applicable, measures taken by the organization to address weaknesses identified in previous audits shall also be presented in the Management Letter. The additional assignment according to agree upon procedures ISRS 4400 under paragraph III, shall be reported separately in a "Report of factual findings".

If the auditor conducts an additional assignment according to ISRS 4400 and assesses that the observations presented in the "Report of factual findings", include the information that would have been included in a Management Letter, a Management Letter does not need to be developed. In such a case, the "Report of factual findings" shall include an explanation of why a Management Letter has not been developed.

RESOURCES AND ACCESS

The consulting firm shall have access to project-related financial data, reports, and documentation as required for this assignment. However, the audit firm shall not disclose, share, or use this information for any purposes beyond the scope of this project without prior written consent from Heifer Kenya.

EVALUATION CRITERIA

The selection committee will evaluate all proposals based on the following criteria. Consulting firms are encouraged to provide detailed and specific responses in alignment with these criteria.

Proposal Evaluation Focus	Percentage (%)
Understanding of the TOR	10%
Audit approach and methodology	20%
Capability Statement CVs, experience, systems, and lead	20%
Experience and expertise in carrying out similar SIDA funded projects.	40%
Statutory compliance and Budget justification /costs realism	10%
Total	100%

APPLICATION REQUIREMENTS

Only legally registered audit firms are ELIGIBLE to apply and should submit the following documents upon application:

- a) Letter of expression of interest and demonstration of capability
- b) A technical proposal detailing your understanding and how you propose to undertake the assignment with general information approach as below.
 1. **Capacity Statement:** The technical capacity statement, including past experiences and activities related to the assignment.
 2. Organization and/or individual overview highlighting related assignments completed.
 3. The capacity and portfolio of the lead auditor, detailed profile of the lead auditor, including their qualifications, experience, and expertise relevant to the assignment.
 4. At least three references from other clients for which similar assignments
 5. A clear and comprehensive work plan (draft), outlining the major activities and schedule.
 6. **Financial proposal** –Applicants should submit a detailed budget in Excel format in **KES & USD**
- c) The bidding audit firm must attach the documents below with their bid or proposal to Heifer International Kenya

Certificate of registration

 1. A Partnership Deed if you are running a partnership business.
 2. Valid audit practicing certificate.
 3. KRA online PIN Certificate.
 4. Valid Tax Compliance Certificate.
 5. Physical location including town, building, room number and postal address.
 6. Trade reference and clientele list where similar services have been or are being provided including their respective contacts.

Failure to submit any of the required documents may result in the disqualification of the application.

APPLICATION PROCEDURE

The proposal (duly signed) from the audit firm should comprise a letter of expression of interest quoting the audit fees. Applications will be accepted preferably in soft copy through email and mentioning the subject line; “**FINANCIAL AUDIT FOR THE KENYA LIVESTOCK MARKETING AND RESILIENCE PROJECT**” to procurement-ke@heifer.org on or **before Monday 16th June 2025**

LATE SUBMISSIONS AND MODIFICATIONS

Proposals received after the submission deadline will not be considered. Applicants are responsible for ensuring their proposals are submitted according to the instructions stated herein. Heifer retains the right to terminate this RFP or modify the requirements upon notification to the Applicants.

AWARD PROCESS AND CONTRACT MECHANISM

Heifer will issue a fixed award agreement based on the submission and Heifer’s acceptance of deliverables. Once an award is issued, it will include the payment schedule with the deliverables specified above.

Activity	Timeframe
Procurement	27 th May 2025-25 th June 2025
Contracting	8 th July 2025
Field work	July 2025 -August 2025
1st Draft Audit report	Sept 6, 2025
Final Audit report	Sept 13, 2025

VALIDITY OF PROPOSALS

Proposals submitted shall remain open for acceptance for Twenty-One (21) days from the last date specified for receipt of the proposal. This includes, but is not limited to pricing, terms and conditions, service levels, and all other information. If your organization is selected, all information in this document and the negotiation process is contractually binding.

LIMITATIONS

This Request for Proposal does not represent a commitment to award a contract, to pay any costs incurred in the preparation of a response to this RFP, or to procure or to contract for services or supplies. Heifer reserves the right to fund any or none of the applications submitted and reserves the right to accept or reject in its entirety and absolute discretion any proposal received because of the RFP.

INTELLECTUAL PROPERTY

Section 1. Ownership Generally. Subject to Section 2 below, any intellectual property (including but not limited to copyrights, trademarks, service marks, and patents), intellectual property rights, deliverables, manuals, works, ideas, discoveries, inventions, products, writings, photographs, videos, drawings, lists, data, strategies, materials, processes, procedures, systems, programs, devices, operations, or information developed in whole or in part by or on behalf of Contractor or its employees or agents in connection with the Services and/or Goods (collectively, the "Work Product") shall be the exclusive property of HPI. Upon request, the Contractor shall sign all documents and take all actions necessary to confirm or perfect HPI's exclusive ownership of the Work Product.

Section 2. Prior-Owned Intellectual Property. Any intellectual property owned by a Party before the Effective Date ("Prior-Owned IP") shall remain that Party's sole and exclusive property. Regarding any of Contractor's Prior-Owned IP included in the Work Product, Contractor shall retain ownership, and hereby grants HPI a permanent, non-exclusive, royalty-free, worldwide, irrevocable right and license to use, copy, reproduce, publicly display, edit, revise, perform, and distribute said intellectual property, in any format or any medium, as part of the Work Product.

Section 3. Work Made for Hire. To the extent copyright laws apply to the Work Product, the Parties agree that (a) HPI specially ordered or commissioned the Work Product, (b) the Work Product is a "work made for hire" under United States copyright laws, and (c) HPI shall be deemed the author thereof and shall own all right, title, and interest therein. To the extent such rights, in whole or in part, do not vest in HPI as a "work made for hire", Contractor hereby irrevocably grants, assigns, and transfers to HPI, exclusively and in perpetuity, all of the Contractor's rights of any kind or nature, now known or hereafter devised, in, too, and in connection with the Work Product, and HPI shall solely and exclusively own any rights therein, and in the elements thereof, including but not limited to any allied, ancillary, subsidiary, incidental, and adaptation rights. The contractor hereby waives all rights known as "moral rights", and any similar rights, which Contractor may have in connection with the Work Product. The description of Services and/or Goods provided in this Agreement shall in no way limit the way HPI may use the Work Product.

DIVERSITY AND INCLUSION

Heifer International values diversity, equity, inclusion and belonging ("DEIB"), and believe that effectively accessing and managing diverse talent leads to improved outcomes. HPI takes a broad view of diversity, and inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. HPI expect third-party providers to respect and reflect HPI's value of DEIB. HPI's ongoing monitoring of third-party service providers incorporates an assessment of vendors' commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.