



**KENYA COPYRIGHT BOARD**

**P.O. Box 34670-00100, Nairobi.**

**CALL FOR EXPRESSION OF INTEREST**

**KECOBO/EOI/ 01/2022-2023 EXPRESSION OF INTEREST TO CONDUCT FORENSIC AUDIT ON  
COLLECTIVE MANAGEMENT ORGANIZATIONS**

**I. Background**

The Kenya Copyright Board (KECOBO) is a State Corporation established under Section 3 of the Copyright Act. Its mandate includes licensing and oversight of Collecting Societies.

**II. The Assignment**

The Kenya Copyright Board invites expression of interest from established audit firms to undertake forensic audit of Collective Management Organizations.

**III. The Scope of the assignment**

The Forensic Audit should cover the entire organizations' functions such as finance & accounts; Human Resource; Information Technology; Membership Policies; Procurement Policies; Royalty Collection and Management Protocols; Asset Management; Corporate Governance; Staff Policies among others as provided in the organization structure of the societies. The audit should include management of risk, whistle blowing and complaints resolutions procedures.

The assignment will be undertaken mainly in Nairobi and will cover the period between December 2022 and January 2023.

#### **IV. Objectives**

- Assess the adequacy and effectiveness of the organizations' overall internal control systems to monitor revenue and expenditure and other financial and operational structures.
- Assess whether the organizations' assets are accounted for, used for intended purpose and are properly recorded and managed or disposed in the fixed assets register in accordance with the CMO policies or relevant accounting standards.
- Assess the adequacy of established ICT system and controls to mitigate the system risks facing the organization.
- Identify internal control deficiencies and propose ways of addressing them.
- Assess system development management controls to provide reasonable assurance that the system operates as intended.
- The integrity of current membership and adequacy of membership admission procedure.
- Determine the existence of risk management policies, implementation and compliance.
- The integrity of distribution rules and policies
- Review the integrity of welfare schemes in the society
- Highlight fraud or opportunities of fraudulent activity

#### **V. The Forensic Audit Report**

The audit firm shall be required to prepare a report that includes the following:

1. Findings and observations on the organization's systems and internal controls that were examined during the audit;
2. Deficiencies or weakness in the accounting systems and internal controls and make recommendation for improvement;
3. Compliance to established internal and external policies and guidelines;
4. Matters that have come to the attention of the audit firm during the audit which might have a significant impact on the operations of the organization; and
5. Compliance with laws and regulations governing the CMO operations.

**VI. Deliverables and timeline:**

- The forensic audit is expected to be conducted and concluded within in a fairly short period to be agreed on during negotiations, based on the technical proposals received. The auditor shall submit a draft audit report duly signed within seven (7) days upon completion of assignment. The final audit report shall be submitted within seven (7) days of the receipt of the management’s comments.
- Audit report- The forensic audit report, should clearly indicate the auditor’s findings. This would include at least the following:
  - a. An opening or introductory paragraph containing the functions audited.
  - b. Scope and methodology describing the nature of the audit.
  - c. Identified specific deficiencies or areas of weakness in systems and controls, and make specific recommendations.
  - d. The Society’s’ Management comments/response to forensic audit findings and recommendations.

**VII. Consultants Requirements:**

- The audit firm must have strong knowledge and experience in performance of forensic audit.
- Be registered with the Institute of Certified Public Accountants of Kenya, and its partners must be holders of current practicing certificate(s).
- The firm should have been in operation for not less than five years.
- Have a high-level understanding of the International Financial Reporting Standards (IFRSs) and the International Standards on Auditing (ISAs) and their practical application to financial reporting and auditing.
- Demonstrate capacity to provide efficient forensic audit services in adherence to agreed timeframes; capacity to advice on the improvement of existing and emerging management controls and governance processes, and capacity to review the adequacy of the Company’s Information Systems and related infrastructure.
- The Lead Consultant/ auditor should be a qualified accountant or auditor with (qualification of CPA, ACCA or its equivalent) a minimum of five years’ experience.

**VIII. Expression of interest document must include the following information**

1. A company profile indicating the physical address, telephone contact, organizational structure and a list of major clients.
2. Provide statutory registration documents including a copy of a Valid Tax Compliance/Clearance certificate; copy of the PIN Certificate; copy of Certificate of Incorporation/ Registration, membership to professional bodies, etc
3. Information that demonstrates their technical ability and experience in carrying out similar assignments in the last five (5) years.
4. Curriculum Vitae of key personnel proposed for the assignment.
5. The proposed team leader for the assignment who must have at least five years' experience in carrying out forensic audits.
6. Brief description of the proposed methodology and the work plan of carrying out the forensic audit.
7. Recommendation letters from at least three (3) recent clients in client's letterhead.

**IX. Selection process**

The selection process will be conducted in two stages;

**Stage 1:** Expression of Interest (EOI) received from Organizations that have submitted all the required documentation will be evaluated by an Evaluation Committee.

Shortlisted applicants will be notified accordingly.

**Stage 2:** The Terms of Reference (TOR) and Request for Proposal (RFP) for the assignment will be shared with the shortlisted applicants who will be invited to submit a Technical and Financial proposal. The Technical and Financial proposal will be evaluated following the guidelines outlined in the Request for Proposal.

**X. The attention of interested Consultants is drawn to the following provisions that will be highlighted in the Request for Proposals to be issued to shortlisted firms.**

- i) The Consultant will be expected to have no conflict of interest with other assignments or its own corporate interests and acting without any consideration for future work.
- ii) The consultant has no personal or business relationship with the Procuring Entity's senior management or professional staff.

- iii) A firm or an individual in the firm has not been sanctioned by the Public Procurement Regulatory Authority or are under a suspension or a debarment imposed by any other entity of the Government of Kenya, or any international organization.
- iv) Government-owned enterprises or institutions of Kenya Government, officials and civil servants and employees of public institutions may not be eligible.
- v) Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.
- vi) A Consultant will be selected in accordance with the Quality and Cost Based Method method set out in the Act and Regulations.

**XI** Completed EOI documents are to be enclosed in plain sealed envelopes, marked with the Tender number **KECOBO/EOI/ 01/2022-2023** and addressed to:

**The Executive Director  
Kenya Copyright Board  
P.O. Box 34670-00100, Nairobi.**

And be deposited in the tender box at the Kenya Copyright Board, NHIF Building 5<sup>th</sup> floor, Ragati Road, Upper Hill, so as to be received on or before 22<sup>nd</sup> November 2022 at 11.00 am. Bids will be opened immediately thereafter in the presence of firms' representatives who choose to attend. Late bids will be rejected.

**Executive Director,  
Kenya Copyright Board (KECOBO)**