



# Sekhametsi Investment Consortium

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## Expressions of Interest Forensic Audit

## Table of Contents

1. Background .....	3
2. Call for Expression of Interest .....	3
3. Scope of Services.....	3
4. Contract Duration .....	4
5. Prequalification Details .....	5
5.1. Mandatory Requirements.....	5
5.2. Information Required.....	5
6. Deadline for Submission of Expressions of Interest (Closing Date) .....	7
7. General Considerations.....	8
8. Enquiries .....	8

## 1. Background

- 1.1 Established about twenty years ago, Sekhametsi Investment Consortium (SMIC), popularly known as Sekhametsi, has grown to be one of the large locally owned public companies in Lesotho.
- 1.2 The Vision of Sekhametsi is to become a globally sought after, ethical wealth creation vehicle for the Basotho nation, which embraces innovation, accountability & due prudence in all its dealings.
- 1.3 Starting with 30 members and a handful of investments clubs in 1999, Sekhametsi has 500 shareholders to date. The shareholder base is comprised of farmers, informal traders, pensioners, corporate managers, students, religious organizations, investment clubs, burial societies, women and youth groups. To ensure growth, while managing risks, the consortium has diversified its investment portfolio and now boasts interests in property, banking and financial services, and textile manufacturing.

## 2. Call for Expression of Interest

- 2.1 Sekhametsi Investment Consortium hereby invites **Expressions of Interest (Eoi)** from suitably qualified and experienced audit firms **to pre-qualify** to carry out forensic audit.
- 2.2 Prequalified bidders will be invited to carry out forensic audit on the SMIC's Internal Controls Framework and review of the financial transactions in the Sekhametsi Investment Consortium's investments portfolio, investigate the nature and form of existing Agreements with third parties and establish the necessary governance protocols, processes and procedures followed in the procurement of goods and services and establish the nature and the extent of the consortium's exposure in the entity called **Sekhametsi Enterprises**.

## 3. Scope of Services

- 3.1 The scope of the Forensic Audit includes the following.
  - a) Review of the SMIC's Internal Controls Framework. This will include but not limited to assessing whether internal control systems and procedures to prevent financial

irregularities and misappropriation are in place; whether approval procedures and delegation of financial authority exists; segregation of duties including clarity on roles and responsibilities; and review whether reconciliation procedures are functional and review procedures followed for verifying receipt and acknowledgement of goods and services at agreed quality, specifications and timelines.

- b) Review the extent of non-compliance, if any, with respect to the SMIC's internal control systems and procedures and resultant financial irregularities and misappropriation of funds.
- c) Review and analysis of the potential red flags that may indicate inappropriate financial reporting schemes, misappropriation of assets, inappropriate use of SMIC's assets and expenditures and liabilities for an improper purpose. The auditor should apply appropriate techniques of detecting irregularities and deviations.
- d) Investigations on whether due diligences were conducted, and proper delegations and approvals were secured before Agreements were signed and investments made in the existing Share Subscription Agreements and the Shareholders Agreements and investigations on whether the investments in these Agreements reflect fair value for SMIC.
- e) Examination of the reported corruption or red flags if any, from any source and substantiate the irregularities. Also, verification and assessment of the adequacy of fraud prevention and detection mechanisms that may exist in the organization.
- f) The forensic audit shall also look into the procurement of services (personnel and external service providers) and assess compliance with the governance instruments, relevant laws, regulations and policies.

3.2 The full Request for Proposals (RFP) with Instructions to Bidders (ITB) will be provided to bidders who have been pre-qualified.

#### **4. Contract Duration**

- a) The contract duration is expected to be **3 months (90 days)** and it is envisaged that the successful Tenderer will commence work as soon as the Contract is signed

## **5. Prequalification Details**

### **5.1. Mandatory Requirements**

- a) Sekhametsi Investment Consortium (SMIC) reserves the right to demand the accepted Tenderer's Affidavit of Ownership of each Company. Under the laws of Lesotho, the Company is bound to obtain (If registered as an external company doing business in Lesotho) before commencing the Forensic Audit, a certificate of Registration within 14 days of commencement.
- b) The names submitted are to be of those persons who will be committed for the full duration of the project. **(compulsory)**
- c) Written Power of Attorney or resolution of company authorizing signatory to commit the bidder should be submitted. **(compulsory)**
- d) Bid Security of **M500,000.00** (Five Hundred Thousand Maloti Only) will be required from all tenderers who will be pre-qualified.
- e) Nonrefundable fee of **M2,000.00** (Two Thousand Maloti Only) for purchase of tender documents will be required from all tenderers who will be pre-qualified.
- f) Expressions of Interest must have valid tax clearance certificates and traders' licenses certified at source attached to them as a mandatory requirement.

### **5.2. Information Required.**

Interested Bidders are required to provide the following information.

- a) Proof of legal registration of the audit firm.
- b) Confirmation of financial capacity of the firm (most recent 3 years' audited accounts).
- c) Company profile which should include but is not limited to the following:

- i. **Experience:** The Audit Firm should have a minimum of ten (10) years' experience in forensic reviews, financial accounting and auditing and be conversant with legal requirements for carrying out audit work in Lesotho.
- ii. **Size:** Total number of audit professionals employed in the firm, distinguishing between audit partners, audit managers, audit seniors, and audit assistants.
- iii. **Key Personnel:** The key personnel to be assigned to conduct the forensic audit shall at the minimum include the qualified Lead Engagement Partner/Director, the Audit Manager, a Lawyer a Chartered Accountant, a Risk Management Expert, experts in the fields of Forensics, Corporate Governance and a Data Analytics Expert.
- iv. **Technical Approach and Methodology:** Proposal should demonstrate a clear understanding of the forensic audit requirements, draw attention to the issues related to the assignment and raise important issues that have not been considered in the Scope of Services. Bidder should briefly outline the approach and methodology which they apply in carrying out forensic audit of a similar nature.
- v. **Project Organization:** Proposal to include an organization chart and staffing schedule, a balanced in country staffing arrangement with sufficient home office support, and clear definitions of the duties and responsibilities of the entire audit team.
- vi. **Curriculum Vitae (CVs) of Key Experts:** The bidders should submit signed CVs of key personnel that will be assigned to the forensic audit. Such CVs to in the minimum include the following;
  - a. **Name of Expert proposed;** Proposed Position in this assignment; Gender; Nationality; Date of Birth;
  - b. **Details of Education** to cover; Degree Obtained; Dates Attended and Name of Institution;
  - c. **Professional Registration** details to cover Name of Institution; Type of Registration and Dates Obtained;
  - d. **Work Experience** to include Country; Dates worked (Start – End);
  - e. **Employment Record**, starting with current position, to include employment held by Expert since graduation, giving dates of employment, name of employer, positions held, responsibilities held.

- f. **Tasks to be performed**, the detailed description of all tasks to be performed under this assignment.
- g. **Relevant Experience** to include a list of job functions that best illustrate candidate's ability to perform assigned tasks. For each project experience quoted, the CVs should give details of dates.

d) **Forensic Audit Experience:**

The bidders should demonstrate experience by providing details on the investigations (completed in the past ten (10) years and on-going) as shown below.

For each Investigation, bidders to indicate.

1. Name and Address of the client serviced
2. Brief Description of the Investigations
3. Role of bidder; whether as lead consultant or sub-consultant
3. Contract amount at Tender .....: M\_\_\_\_\_ (Lesotho Maloti Equivalent)
4. Final Contract amount at Tender....: M\_\_\_\_\_ (Lesotho Maloti Equivalent)
5. Duration of Contract: \_\_\_\_\_
6. Date of Completion: \_\_\_\_\_
7. Contact Details of Referee:

**6. Deadline for Submission of Expressions of Interest (Closing Date)**

- 6.1 The sealed Expressions of Interest documents bearing no identification of the Bidder and marked as follows "**Expression of Interest for Forensic Audit**" must be deposited in the tender deposit box situated at **Sekhametsi Place, Corner Parliament Road and Kingsway Street, Maseru, Lesotho** and addressed to **Sekhametsi Investment Consortium** at the above address.
- 6.2 The deadline for submission of requests for further information or clarification is **Monday 20 November 2023** to allow enough time for responses.
- 6.3 The deadline for submission of Expressions of Interest is on or before **Friday 24<sup>th</sup> November 2023 at 12:00 noon**, Lesotho Time, where a register of submissions will be kept.

**6.4 Late Expressions of Interest will be rejected and will not be considered.**

## **7. General Considerations**

- 7.1 Sekhametsi Investment Consortium is not bound to accept any submission and reserves the right to withdraw this request for expression of interest without notice.
- 7.2 Sekhametsi Investment Consortium is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Bidders.

## **8. Enquiries**

All enquiries should be addressed **in writing by email** to Sekhametsi Investment Consortium at the following email address: [info2@sekhametsi.co.ls](mailto:info2@sekhametsi.co.ls)