

11 October 2021

The Managing Partner

Dear Sir,

**REQUEST FOR PROPOSAL FOR IMPLEMENTATION OF INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)**

Central Securities Clearing System Plc [CSCS] is Nigeria's premier Financial Market Infrastructure (FMI), and a Central Securities Depository (CSD) licensed to carry on the depository, clearing and settlement of transactions in the Nigerian Capital Market. CSCS facilitates the delivery (transfer of securities from seller to buyer) and settlement (payment for securities) of securities transacted on the floors of the Nigerian Exchange Limited and any other authorized/organized Securities Trading Platform.

**OBJECTIVE OF THE RFP**

The Securities Exchange Commission of Nigeria recently approved the Guidance on the Implementation of Sections 60-63 of the Investments Securities Act 2007, which requires public companies to include in their annual reports, a certification on the effectiveness of internal controls over financial reporting (ICFR), evaluated based on a recognized internal control framework. In addition, the external auditor is required to report on the existence, adequacy, and effectiveness or otherwise of the ICFR established by the Company.

CSCS would like to procure the services of a reputable accounting firm for the implementation of Internal Control over Financial Reporting (ICFR) Framework in compliance with SEC's approved Guidelines on the implementation of Sections 60 – 63 of the Investments and Securities Act 2007. To achieve this, we invite your firm to participate and to submit a proposal.

**SCOPE OF WORK**

The bidder (or the Firm) should be capable of providing the services as per the scope of work explained under this section. The said scope of work will also be included in the agreement to be executed by the Firm and would broadly cover the following:

- Performing a GAP assessment between the CSCS' existing controls and the recognized Internal Control Framework (COSO).
- Identifying and documenting the Company's Financial Reporting Risks and Controls.
- Evaluate evidence of the operating effectiveness of the existing controls over the Company's Financial Reports.

Mapping of the Company's controls to the identified financial reporting risks and recommendation of improvement actions.

- Identifying and documenting key Business Processes (BPs) and the control activities therein.

- Ensuring the Internal control framework is implemented as detailed in the SEC Guidelines.
- Conducting a Gap Analysis on the current state of controls and together with the project team recommend and implement appropriate actions.
- Ensure policies, procedures and other activities noted as deficiencies are adequately addressed to ensure full compliance.
- Build capacity of the project team and transfer knowledge to key stakeholders through various trainings.

## **PROPOSAL REQUIREMENTS**

### **Background and Experience**

A statement of the background and relevant experience of the Firm should be presented. The Firm would be required to include a list of clients similar services have been rendered to.

### **Understanding of The Brief**

The Firm's proposal should include a document detailing the Firm's comprehension of CSCS' needs as articulated in this RFP. The proposal should notify CSCS of any potential difficulty that might arise in implementing this project. Also, the Firm should state major management decisions preferred to be made during the terms of the contract.

### **Methodology/Description of Approach**

In this section, the firm will provide a comprehensive description of how it will provide the required services in line with the scope. Information provided must be sufficient to convey to CSCS that the firm has enough understanding of the task required to provide the requested services and that it has an approach, methodology and plan to overcome possible challenges. Your proposal should include, among others, the following:

- i. An outline of how your firm intends to perform the services covered by this RFP, giving sufficient information to demonstrate its understanding of CSCS and our requirements; and its capability to successfully implement the activities in line with the scope of work
- ii. Identify your firm's experience with respect to implementation of Internal Controls Over Financial Reporting (ICFR), and what makes your firm uniquely qualified for this project
- iii. Propose a high-level description or plan on how you intend to carry out the implementation of ICFR as in the scope above.

### **Estimated Fees**

In this section, the Firm shall provide detailed cost estimates and expenses related to the scope of this engagement. The proposal must clearly state the following:

- Cost for everything required to meet the project's objective
- Cost for any other activity, which is not specified in the scope of work and deliverables of this RFP document and is considered relevant for the project execution by the RFP participant must be highlighted separately
- VAT and other taxes must be indicated separately
- All costs must be in Naira

The agreed cost quoted will be firm and fixed for the duration of performance of the contract. At no point will any deviation from the quoted rate be entertained by CSCS. In addition, the Financial Bid shall not include any conditions attached to it and any such conditional financial proposal shall be rejected.

**Confidentiality.**

By accepting to take part in this proposal process you keep in confidence all information availed you in relation with the proposal process, not to disclose it to third parties and not to use it for any other purpose than for the proposal. You will be required to execute CSCS Plc's standard Non-Disclosure Agreement.

Please note that your participation in the selection process does not create a binding agreement between you and CSCS Plc. The Company will enter into a binding agreement with the successful firm. Should you require additional information or clarification as to this RFP, please contact the undersigned.

**Deadline:**  
**October 20, 2021**  
**5:00 p.m.**

**Peter Medunoye**  
**Chief Financial Officer**  
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