

Central Securities Clearing System PLC

Request for Proposal:

Independent Assessment of Internal Audit Function

REFERENCE NO: CSCS/IA/IAS/04/2022

The return date for responses against this RFP is 24 June 2022 delivered in the requested manner and to the address advised. Late responses will not be considered. Note that proposals submitted that does not meet stipulated criteria shall be considered non-responsive.

09 May 2022

Dear Sir,

TITLE: Independent Assessment of CSCS Internal Audit Function

Ref: **CSCS/IA/IAS/05/2022**

You are invited to submit your proposal against the requirements detailed in the Request for Proposal (RFP) attached. The information contained within this invitation shall be treated as “Commercial in Confidence” and shall also be subject to the terms of any related Non-Disclosure Agreement signed by the parties.

Part 1 of the RFP gives you information about Central Securities Clearing System PLC.

Part 2 is for you to answer and provide details as requested to support your proposal

Proposers are requested to provide one copy of their proposal in paper format and one copy in electronic format (either Microsoft Office or PDF). Submissions to this RFP must be returned within the specified timeframe. Late submissions will not be considered by Central Securities Clearing System Plc.

Queries

All queries should only be directed to the undersigned. We look forward to your responses soon.

Yours faithfully,

Abiodun Owoeye

aowoeye@cscs.ng

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Part 1

1. Introduction

1.1 Procurement Policy on Bribery and Corruption

Central Securities Clearing System (CSCS) Plc strictly adheres to professional work ethics and emphasizes zero tolerance for bribery and any other forms of corruption. It is our policy that service providers involved in offering bribes will be disqualified and excluded from any potential engagement opportunity.

1.2 Executive Summary of Project

This RFP is an invitation to prospective proponents to submit proposals for an Independent Assessment of CSCS Internal Audit Function.

The successful company should be able to manage and meet the requirements for this activity. The purpose of this RFP is to seek information from potential bidders with an intention to establish an agreement between CSCS and the successful bidder. The contract that follows this process shall bind CSCS and the successful bidder to perform in a specific way for a duration to be agreed in the contract in an event of the formation of the same.

2. Terms Governing This RFP

2.1 Recipients of this RFP are required to read all the information supplied and have a clear understanding of Central Securities Clearing System Plc requirements. Further information can be made available by contacting nominated persons listed in this RFP.

2.2 It is a condition of this RFP that all mandatory requirements (indicated in the body of text by the word “must” or expressed or implied accordingly) are met in full. Responses and proposals that do not conform to mandatory requirements will be deemed to be made on the basis that conformance is implied by the proposer. The contents of proposals must be submitted in the same order as that specified in this RFP.

2.3 Pricing should include basis and details of all costs.

2.4 All communication relating to this RFP must be directed to the specified key contact persons listed below. All other communications between a respondent and CSCS staff concerning this RFP are prohibited. In no instance is a respondent to discuss cost information contained in a proposal with the CSCS contact persons or any other staff prior to proposal evaluation. Failure to comply with this section will result in disqualification of the proposal.

- 2.5 Central Securities Clearing System (CSCS) Plc will select the successful proposal based upon several evaluation factors including features outlined in the RFP; company stability, experience executing similar projects; implementation plan and price. The selection will be decided based on the proposal submitted by a qualified proposer that best meets the needs of CSCS. CSCS reserves the right to reject any or all proposals.
- 2.6 This RFP is a request for proposal for an Independent Assessment of CSCS Internal Audit Function. It is not a contract, and no contractual obligations shall arise on behalf of CSCS. CSCS will not be liable for any costs incurred in the preparation and submission of a response to this RFP.
- 2.7 CSCS shall deduct Withholding Tax from payments to service provider (successful bidder) to account for that tax to the relevant tax authorities. Any agreement with the successful bidder shall be subject to CSCS being entitled to make these deductions so that CSCS will not bear an unnecessary additional cost. Service provider can usually claim a credit against their tax liabilities in respect of Withholding Tax deducted by CSCS.
- 2.8 In addition to submitting a proposal in response to this request, all proposals should be sent with a written confirmation that there are no conflict-of-interest issues that will prevent the firm from taking up this engagement.
- 2.9 CSCS shall evaluate proposals based on their responsiveness to the requirements of this RFP as outlined above. Each responsive proposal will be given a score. A proposal shall be rejected at this stage if it fails to respond to the requirements. The shortlisted vendors shall be invited for an oral presentation before a Committee of CSCS representatives. The vendor with the highest score after the final presentation will be invited for negotiations.
- Negotiations will be held with the aim of reaching an agreement on all points and subsequently engage the successful vendor. If negotiations fail, the vendor with the second highest score will be invited to negotiate an agreement.
- After negotiations are completed, CSCS will promptly notify other vendors on the shortlist that they were unsuccessful.

2.10 Timeline to be observed for this RFP:

Milestones	Due Date
RFP issued by Central Securities Clearing System PLC	25 May 2022
RFP questions received by Central Securities Clearing System PLC in writing	06 June 2022
RFP questions responded to by Central Securities Clearing System PLC	10 June 2022
RFP response due	24 June 2022
Presentation date	To be communicated

2.11 All bids shall be submitted on or before close of business on Friday 17 June 2022. to: rfpsubmission@cscs.ng

3. Service Provider's Actions Required for this RFP

- 3.1 Read Part 2 carefully which contains the under listed sections. Complete them accurately and concisely where required
 - A. Service Providers Declaration
 - B. Service Provider Information Questionnaire
 - C. Statement of Requirements
 - D. Methodology/ Description of the service approach
 - E. Price Schedule
 - F. Evaluation Criteria
 - G. Bid Securing Declaration
- 3.2 Sign service providers declaration (A) indicating your compliance and acceptance of the terms of this RFP
- 3.3 Provide your responses to the Service Provider Information Questionnaire (B). They must be precise and concise without unnecessary marketing/advertising materials. If there is any other information which, it is felt should be included because of its relevance to the proposal please feel free to do so but this must be separate from the required structured response.
- 3.4 CSCS may issue addenda notices to the bid documents to advise of any changes and clarifications thereto or to respond to queries from bidders or for any other reason that the company deems necessary. Addenda Notices will be numbered, and the bidder shall

acknowledge receipt via email and inclusion in their Bid.

CSCS may issue additional information for reasons that the company deems necessary at any time for bid submission as nominated in the Invitation to Bid or subsequent Addendum. Such information shall be included in the Contract award.

The Company shall use its sole discretion to make any changes to the date of Bid closing from that advised in the Bid schedule which may result from an addendum.

- 3.5 Any request for clarification must be emailed to: aowoeye@cscs.ng
CSCS reserves the right to distribute answers to questions to other suppliers who may not have asked that question but where CSCS feels that the answer corrects a mistake, adds clarity or removes ambiguity from the original RFP.
- 3.6 Authorized representatives of the firm shall initial every page of the RFP and no further questions will be taken or meetings held regarding this RFP until after the receipt of proposal/s, unless otherwise advised by CSCS.
- 3.7 Please ensure the bid declaration is a computation of total cost of the project implementation.
- 3.8 The subject matter of the information provided or gained in relation to this Request for Bid may contain valuable property rights of the Company. This information is to be treated in strict confidence by the Bidder and its employees and shall not be used except for the specific purpose of preparing and submitting a Bid. Upon receiving notice, unsuccessful Bidders shall return such information to the Company whose property it shall remain.
- 3.9 Submit response to CSCS in line with the milestone dates stated in 2.10.



Part 2 Service Providers Response to this RFP

A. SERVICE PROVIDERS DECLARATION

To:

The Head, Internal Control,

Central Securities Clearing System Plc.

13th Floor, Stock Exchange House,

2/4 Customs Street, Lagos, Nigeria.

Dear Sir/Ma,

PROJECT TITLE: INDEPENDENT ASSESSMENT OF CSCS INTERNAL AUDIT FUNCTION

We have read and have examined this Request for Proposal (RFP) document, Technical Requirements, Specifications, Guidance Notes and the terms and conditions issued with this Proposal. We offer completion of the works required against this RFP for the total price of:

.....
..... (in Naira).

This price is further broken down into individual components as requested in this RFP.

This declaration confirms that this Proposal is tendered as a bona fide competitive offer to CSCS, and the information provided in the Service provider Information Questionnaire and Service provider Response to CSCS Statement of Requirements are fully correct and complete.

We, the undersigned further agree that if our offer in these documents is accepted by CSCS, the resulting contract, if any, shall be based on the CSCS Standard Terms and Conditions issued with this RFP (subject to any permitted variations attached to this RFP).

Signature

Date

Name

Job Title

For and on behalf of

Address

Email

Telephone

B. SERVICE PROVIDER INFORMATION QUESTIONNAIRE

To be eligible, bidders shall submit the documents below which will be considered under Preliminary Evaluation:

1. Organization Profile

1.1 Registration & Accreditation	Compliance Statement (Y/N)	Page Reference Please refer to the page within your proposal indicating how compliance is met (Mandatory)	Explanations Supporting Compliance
<i>Business address</i>			
<i>VAT (Value Added Tax) Registration Number</i>			
<i>Valid Tax Clearance Certificate (where applicable)</i>			
<i>Certificate of Incorporation/Registration</i>			
<i>Submit Tax Clearance Certificate</i>			
<i>Attach Two Reference Letters</i>			
<i>Letter Confirming Banking Details</i>			
<i>Letter confirming email address where Purchase Orders and queries will be sent to.</i>			

2. Ownership & Financial Background

2.1 Financial-Related Information	Compliance Statement (Y/N)	Page Reference Please refer to the page within your proposal indicating how compliance is met (Mandatory)	Explanations Supporting Compliance
<i>Audited financial statements for the last two (2) years. (Unless previously provided within the last one year). The Audited Financial statements shall be submitted together with the signed Auditors Opinion.</i>			

3. Track Record and Reference

3.1 Industry Experience	Compliance Statement (Y/N)	Page Reference Please refer to the page within your proposal indicating how compliance is met (Mandatory)	Explanations Supporting Compliance
<i>How many existing clients you have? Name your key clients</i>			
<i>Similar project undertaken in the past 5 years</i>			
<i>Details of any cancelled projects in the past</i>			

3.2 Relationship with CSCS	Compliance Statement (Y/N)	Page Reference Please refer to the page within your proposal indicating how compliance is met (Mandatory)	Explanations Supporting Compliance
<i>Product/services which you provide to CSCS (currently or previously)</i>			
<i>Value of your sales to CSCS for the past 3 years and by product/services</i>			

3.3 Client Reference			
(Please provide at least 3 clients for deals similar in nature to this RFP)			
	Company A	Company B	Company C
<i>Names of companies which can provide reference to CSCS</i>			
<i>Names & job titles of contact person</i>			
<i>Contact details (email address, address, office number)</i>			

Non-compliance with these requirements will result into disqualification of the bid at Preliminary Evaluation Stage and the Bidder shall not proceed to the Technical Evaluation Criteria.

C. STATEMENT OF REQUIREMENTS

1.0 INTRODUCTION

1.1 Background

The Central Securities Clearing System (CSCS) Plc. was incorporated on July 29, 1992, as a Financial Market Infrastructure (FMI) for the Nigerian Capital Market. It was commissioned in April 1997 and commenced operations on April 14, 1997. On the 16th of May 2012, CSCS became a Public Liability Company (PLC) by a special resolution.

The Securities and Exchange Commission issued its license as an Agent for Central Depository, Clearing and Settlement of transactions in the Nigerian Capital Market. It operates a computerized depository, clearing, settlement and delivery system for transactions in securities in the Nigerian Capital Market.

CSCS facilitates the delivery (transfer of securities from seller to buyer) and settlement (payment of bought shares) of securities transacted on the approved Nigerian Exchanges. It enables securities to be processed in an electronic book entry form thereby substantially reducing the period it takes a transaction to commence and end.

CSCS has made visible strides in the Nigerian Capital Market and will continue to respond to the needs of the securities and commodities market to further enhance transparency and speedy settlement of transactions.

1.2 CSCS Internal Audit

The primary responsibility of CSCS Internal Audit function is to aid Governance oversight by providing the Board of Directors and Executive Management with independent assurance on risk management, control, and governance processes. The internal audit activity helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

As part of its quality assurance and improvement program, the International Standards for the Professional Practice of Internal Auditing (S. 1312) stipulates that external assessment of internal audit function must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. It also stipulates that

the Chief Audit Executive must discuss with the Board on the form and frequency of external assessment as well as the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

Principle 18.6 of Financial Reporting Council of Nigeria`s code on corporate governance as well as the Audit Regulation 2020 also state that there should be an external assessment of the effectiveness of the internal audit function at least once every three years by a qualified independent reviewer to be appointed by the Board

1.3 Purpose of the Request for Proposal (RFP)

The purpose of this Request for Proposal (RFP) is to invite suitably qualified and experienced service provider to submit proposal for an Independent Assessment of CSCS Internal Audit Function. This RFP therefore serves as a way of soliciting proposals in line with the requirements outlined within the document.

The interested vendors would also be required to respond to each of the requirements as outlined in this RFP document clearly indicating the ability to meet the requirements and their associated costs.

The CSCS team will then evaluate the various responses submitted and choose the most suited vendor. The awarding of the contract will not be based on the amounts indicated in the proposals but also on the overall suitability of the proposal meeting CSCS`s approach, strategic objectives and goals.

The interested vendors would be required to respond to each of the requirements as outlined in this RFP document, clearly indicating their ability to meet the requirements and their associated costs.

2.0 PROJECT OBJECTIVES AND SCOPE

2.1 Project Scope

The project focuses on conducting an independent assessment of CSCS Internal Audit Function.

The vendor will be expected to conduct this assessment using a globally acceptable conceptual frameworks and applicable methodology to assess CSCS Internal Audit Function from Positioning, People and Process perspectives.

We would therefore require the vendor to leverage on existing knowledge and pedigree to deliver this project.

2.2 Project Expectation

The expectation from the vendor is a diagnostic review of the current state of CSCS, Internal Audit Function, conceptualization of the desired state of the CSCS Internal Audit function and delivery of appropriate workable recommendations and Implementation plan to help achieve the desired state.

- **Current State:** The Vendor is expected to work with all relevant stakeholders to assess internal audit's current state and help identify areas of strength and opportunity for improvement.
- **Desired State:** The vendor will work with stakeholders to define and agree most appropriate vision for Internal Audit. The focus will be on positioning
- **Recommendations and Implementation Plan:** The vendor will be required to develop a workable plan for enhancing the function.

2.3 Project Methodology

The vendor will be expected to follow a methodical approach predicated on global leading practices.

Such approach at the minimum should include the following:

Phase 1 - Planning: The selected vendor is expected to prepare a detailed work plan, communication plan and a feedback mechanism such as interview schedules and Questionnaires.

Phase 2 – Diagnostic Review: Using standard methodologies, the vendor will be required to conduct a detailed diagnostic review of CSCS Internal Audit Function from positioning, people, and process perspectives. Key activities such as Bench marking, gap identification, and developing recommendations are expected to be done at this phase. Specifically, the vendor will be expected to carry out the following:

- Review relevant data/documentation on the current state of internal audit function
- Formulate key issues based on the review
- Conduct Interviews with key stakeholders
- Analyze results and benchmark with leading practices
- Determine key gaps and proffer recommendations
- Discuss and refine recommendations
- Present final report to management and Board

Phase 3 – Reporting

At this phase, the vendor will be required to present a diagnostic report and Implementation roadmap.

2.4 Vendor Experience and Qualifications

- Demonstrate successful implementation of similar projects in size and nature carried out recently. Provide reference sites of similar business nature where Independent Assessment of Internal Audit Function have successfully been undertaken.
- Provide credentials for staff that will engaged on the project and proof for having worked on Assessment of Internal Audit Function
- Demonstrate capability of effective service delivery.

2.5 Compliance to ISO 27001:2013 Standards

Service delivery should be demonstrably compliant with ISO 27001:2013 and other information security standards.

2.6 Timeframe for Completion

Please provide a timeframe for completion of the project. This timeframe will be evaluated. Be advised that timeframes will be part of the contractual agreement; therefore, a realistic timeframe for completion should be provided.

E. PRICE SCHEDULE

Note: Financial proposals must clearly indicate the following:

- a. Total cost of the project
- b. Break-up of costs for each of the items of work listed in the Scope of work and deliverables
- c. Cost for any other element, which is not specified in the Scope of work and deliverables of this RFP document but considered relevant for the concept execution by the RFP participant must be highlighted separately.
- d. VAT and other taxes must be indicated separately
- e. All costs must be in Naira

Bidders must try as much as possible to use a template like the table below

		A. One off cost		
Line Item No.	Description	Quantity	Unit Price	Total Price
1				
2				
3				
		B. Recurring costs		
Line Item No.	Description	Quantity	Unit Price	Total Price
1				
2				
Subtotals (to Grand Summary Table)				
Name of Bidder:				
Authorized Signature of Bidder:				

F. EVALUATION CRITERIA

The evaluation shall be undertaken in three stages:

- I. **Preliminary Evaluation.**
- II. **Technical Evaluation.**
- III. **Financial Evaluation.**

The evaluation shall consider responses from bidders on questions and information provided in this RFP.

G BID SECURING DECLARATION

Bid-Securing Declaration

[insert: title and RFP number]

To: *[insert: name and address of Entity]*

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we, and in the case of a Joint Venture all partners to it, will automatically be suspended from being eligible for participating in bidding for any contract with you for the period of time of *[5 YEARS]*, in case of, and starting from the date of, breaching our obligation(s) under the bidding conditions due to:

(a) withdrawing our bid, or any part of our bid, during the period of bid validity specified in the Bid Submission Form or any extension of the period of bid validity which we subsequently agreed to; or

(b) Having been notified of the acceptance of our bid by you during the period of bid validity, (i) failing or refusing to execute the Contract Agreement, or (ii) failing or refusing to furnish the performance security, if required, in accordance with the Instructions to Bidders.

We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of the period of bid validity.

If the submission of alternative bids was permitted, and in case we did submit one or more alternative bids, this Bid-Securing Declaration applies to these parts of our bid as well.

Signed: *[insert: signature of person whose name and capacity are shown below]*

Name: *[insert: name of person signing the Bid-Securing Declaration]*, in the capacity of *[insert: legal capacity of person signing the Bid-Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[insert: name of Bidder]*

Dated on _____ day of _____, 20__

[Add Corporate Seal (where appropriate)]