



# Our firm's profile, services and experience

**Government and Public Sector**

2020



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Our Government and Public Sector (G&PS) Services Group that draws from Assurance, Advisory and Tax lines of service, is the embodiment of our commitment to working on the most challenging issues with governments, development partners and non-governmental organisations (NGOs), as they strive to deliver better services to the people.

Our G&PS motto is “Partner, Lead and Grow”, which captures the essence of how we work in the Public Sector. We partner with our clients in the Public Sector, providing them with innovative solutions to the variety of strategic, policy and operational challenges that they routinely face.

We have a substantial client base in all sectors, which enables us to continually refresh our knowledge and to benchmark practices and controls across different sector players. Due to the diversity of our experience, we would be able to provide you with useful feedback on your issues, systems and controls from a sector-wide perspective.

**Benson Okundi, Partner, Government and Public Sector Services Leader, East Africa.**



# 1. Our firm's profile

## 1.1 Description of our firm

### Our global network – Building trust in society and solving important problems

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 276,000 people who are committed to delivering quality in assurance, tax and advisory services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com)

We are able to draw resources from other PwC firms whenever we need them. Yet we work locally, bringing appropriate local knowledge and experience to bear – and using the breadth and depth of our resources to bring you a professional service, specifically tailored to match your needs.

### PwC in Africa – with you wherever in Africa you do business

We know that value goes beyond a single engagement or a single result. Value is defined by a relationship – one that is born of an intelligent, engaged, collaborative process. With our African network, our people and experience, we're ready to help you achieve that value wherever you do business

In Africa, we are the largest provider of professional services with close to 400 partners and over 9000 people in 34 countries. This means that we are able to provide our clients with seamless and consistent service, wherever they are located on the continent.

Our in-depth knowledge and understanding of African operating environments enables us to put ourselves in our clients' shoes to offer tailored Tax, Assurance and Advisory solutions for every business



challenge. Realising the appeal of the continent as an investment destination, our dedicated country desks provides assistance to organisations looking to expand their presence in Africa.

### In Kenya

Our local capability comprises 18 Partners and over 500 professionals who combine their in-depth understanding of local business, social, cultural and economic issues with deep functional and industry knowledge.

Our in-depth knowledge and understanding of operating environments in Kenya and the region enables us to put ourselves in our clients' shoes and offer truly tailored Tax, Assurance and Advisory solutions to unique business challenges.



This local expertise, combined with the collective geographic and functional knowledge of our global network, will ensure you benefit from ideas that challenge conventional thinking and gain new perspectives.

PwC Kenya has a history of delivering world class audit and tax services to some of the largest companies, including professional services organisations in Kenya and in Africa.

Our commitment to quality, our leadership position in the profession, our reputation and experience in Kenya, the region and globally makes us the perfect partner for you.

### In the Horn of Africa region

In the Horn of Africa region, we provide services through network firms like PwC Kenya. We offer Audit and Assurance Services for private and public entities that are focused on your specific management needs. Audit efficiency and timely preparation of financial statements are the cornerstone of our assurance services. Our audits are performed with precise service commitments that add value and minimize risk.

Our audit approach starts with in-depth understanding of the industry and environment in which you operate and what is happening on the ground. We understand your strategies and business objectives, and then work through your organisation to understand what drives value. We ensure that financial reports and related nonfinancial information properly reflect the performance of your organisation.

Institutional audits and audits of donor funded projects are aimed at providing users of the financial statements comfort that financial records are maintained, and financial statements prepared in accordance with the required accounting policies.

Some of our clients include: the African Union Commission, SNV Netherlands Development Organisation, Federal Ministry of Health, Local

Fund Agent for the Global Fund to fight AIDS, Tuberculosis and Malaria, Swiss Agency for Development and Cooperation (SDC), DFID, SIDA/ Embassy of Sweden, GIZ Ethiopia, Hivos Africa Biogas Partnership Programme in Ethiopia, British Embassy in Addis Ababa and Conflict Early Warning & Response Mechanism (CEWARN) of IGAD among others.

### 1.2 Compliance with professional practice and ethical standards

Majority of our staff are members of professional institutes and comply with ethical rules, technical standards and professional practice laid down by those bodies. This is supplemented by the firm's own professional practice and ethical standards which cover areas such as independence, confidentiality and security of information, prohibition of insider dealing and avoiding actual or potential conflicts of interest. Failure to adhere to these standards may result in disciplinary action.

### 1.3 Our quality assurance systems and reviews

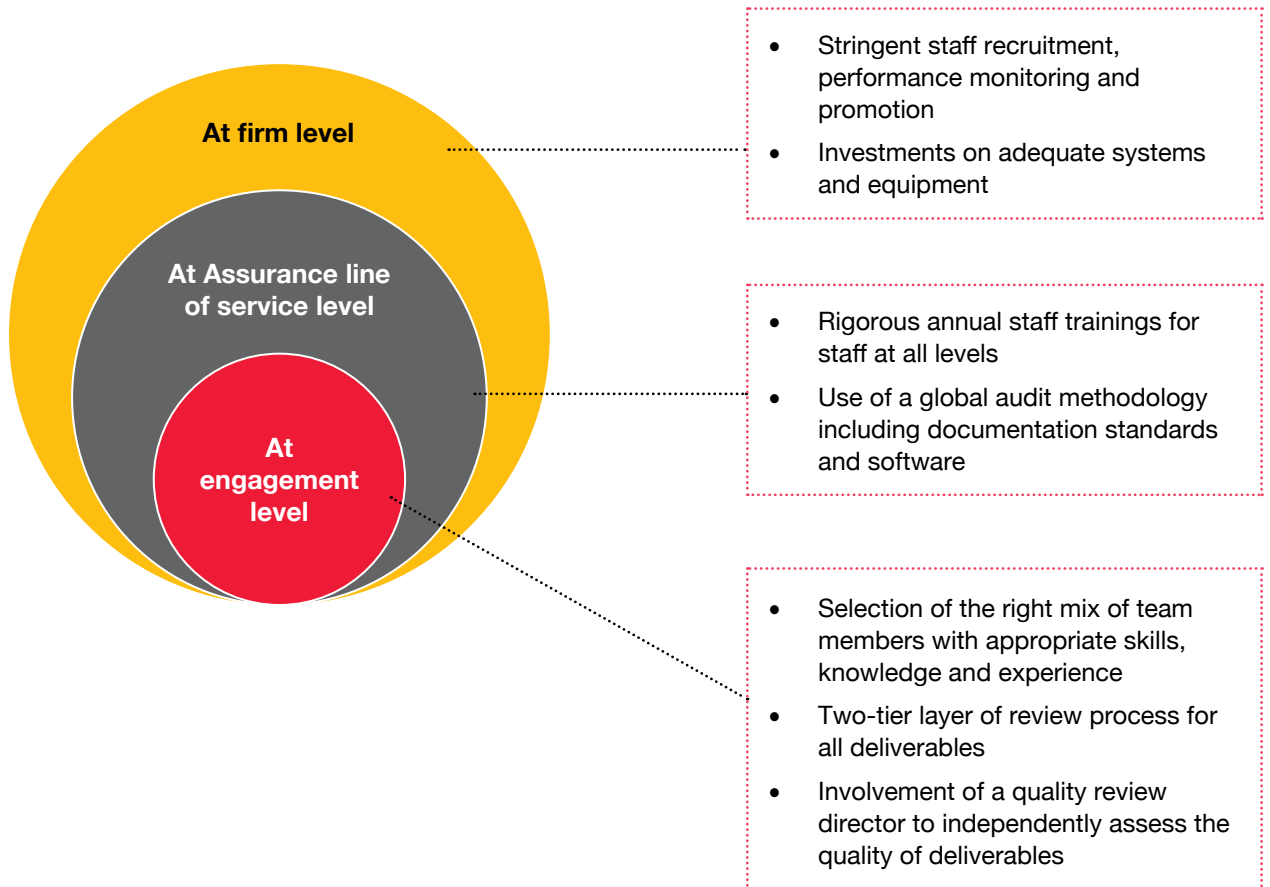
PwC places a great emphasis on the quality of its services. We focus both on our final written reports and on the underlying planning and execution of assignments which ensures that we have relevant and reliable evidence to support our findings.

Our aim is to produce high quality assurance results the first time in all our assignments. It is against this background that we propose to draw on our "Quality Management Systems" (QMS).

Quality is not an "add-on" which is considered at the periphery of our projects, but something that we have built into our methodology and approach. Services to all of our clients are managed according to the requirements of this quality system so as to ensure that we meet your requirements and the appropriate Standards within the environment that we operate.

Quality control is integrated in our approach and across all phases of our work from planning to report. PwC has an established system of quality control guided by the requirements of ICPAK and the Accountants Act, International Federation of Accountants (IFAC) regulations, International Standards on Auditing (ISAs) and International Standards of Quality Control (ISQC) 1, and the requirements of the global firm, PricewaterhouseCoopers International Limited.

Our quality assurance program is addressed at various levels as depicted in the diagram below



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Public Sector & Infrastructure Insight 2020

**Governance in uncertain times**

A delicate balance requiring tough choices






In addition to the independent quality reviews done by PricewaterhouseCoopers International Limited, the firm is subject to periodic compliance reviews by the Institute of Certified Public Accountants of Kenya (ICPAK).

The reviews are designed to ascertain whether we are in compliance with the standards and regulations issued by ICPAK, International Federation of Accountants (IFAC), and International Accounting Standards Board (IASB).

## 1.4 Our values and principles

The cornerstone of our approach and methodology is a client service philosophy aligned with our “business advisory” style. In keeping with our business advisory style, we design delivery approaches specifically for our clients through our foundation of knowledge, our understanding of the clients’ operations and the clients’ requirements.

Our network values are:

 <b>Act with integrity</b>	<ul style="list-style-type: none"><li>• Speak up for what is right, especially when it feels difficult</li><li>• Expect and deliver the highest quality outcomes</li><li>• Make decisions and act as if our personal reputation were at stake</li></ul>
 <b>Make a difference</b>	<ul style="list-style-type: none"><li>• Stay informed and ask questions about the future of the world we live in</li><li>• Create impact with our colleagues, our clients and society through our actions</li><li>• Be agile to respond to the ever changing environment in which we operate</li></ul>
 <b>Care</b>	<ul style="list-style-type: none"><li>• Make the effort to understand every individual and what matters to them</li><li>• Recognise the value that each person contributes</li><li>• Support others to grow and work in the ways that brings out their best</li></ul>
 <b>Work together</b>	<ul style="list-style-type: none"><li>• Collaborate and share relationships, ideas and knowledge beyond boundaries</li><li>• Seek and integrate a diverse range of perspectives, people and ideas</li><li>• Give and ask for feedback to improve ourselves and others</li></ul>
 <b>Reimagine the possible</b>	<ul style="list-style-type: none"><li>• Dare to challenge the status quo and try new things</li><li>• Innovate, test and learn from failure</li><li>• Have an open mind to the possibilities in every idea</li></ul>

## 1.5 Our corporate social responsibility strategy and activities

At PwC, our purpose is to build trust in society and solve important problems. Our purpose drives PwC’s need to be ‘part of it’: part of the global conversation and movement towards responsible business practices that create positive change in the world.

We have many capabilities that are relevant to Corporate Responsibility (CR) – the same ones we use in our businesses every day – and we put these to use working with others to make a difference.

For example:

- We’re managing our own impact, but we’re also uniquely positioned as a network of professional services firms to help integrate and foster

change around CR issues in ways that have more widespread effects.

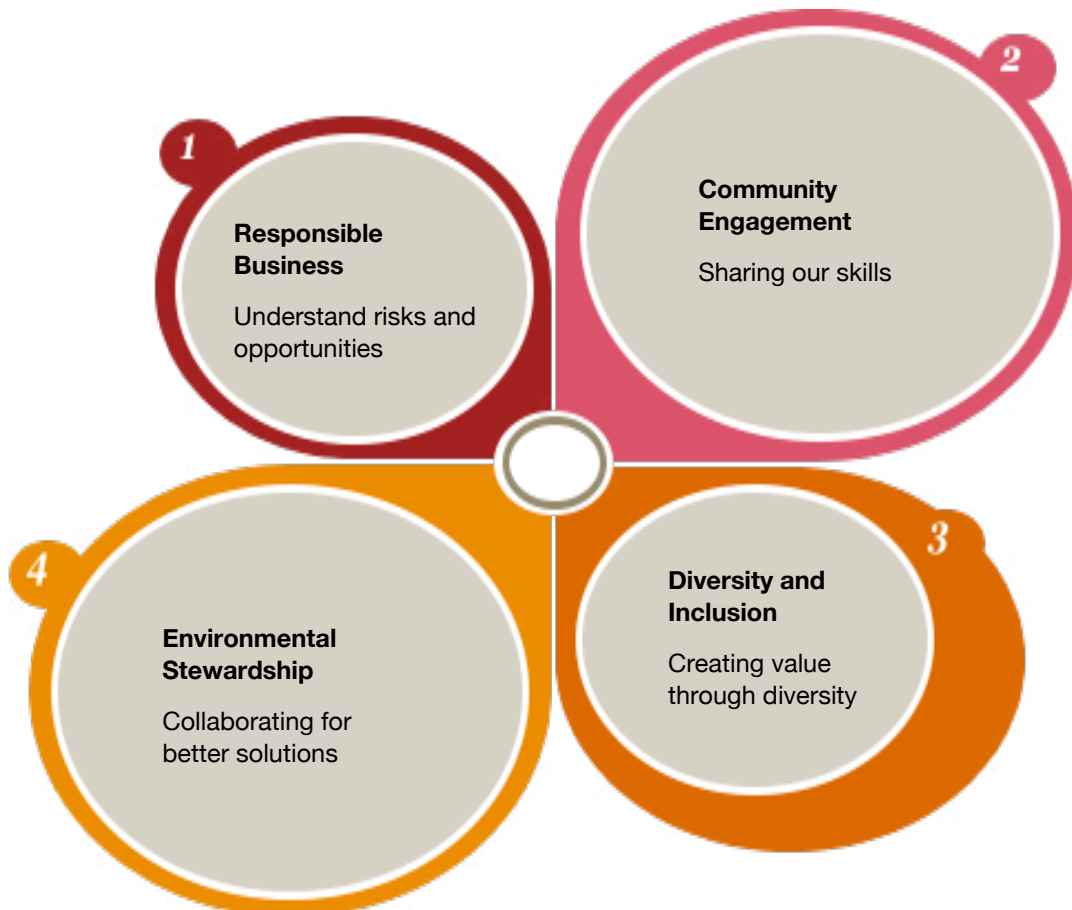
- We review, advise and transform thousands of businesses around the globe every year.
- We offer services that enhance trust and transparency between government, business and society.
- We contribute to the development of the standards that underpin financial systems and industries.
- We’re developing new ways of measuring environmental, social and economic impacts as well as other services through our Sustainability and Climate Change practices.








However, we want to go further. Through our own CR agenda, we can be part of the solution to global challenges in two ways. We set out our strategic intent as:

- a) Being a catalyst for change, which is about using our skills, voice, and relationships to work with others and influence activities that make a difference, create change and have a lasting impact on the world around us.
- b) Doing the right thing, which means playing our part on responsible business issues that are central to our business – from the quality of our services and the diversity of our people, to our engagement with communities and our environmental footprint.

These aims form the core of our CR Strategy and across the PwC network, our firms support these goals. To align and structure our CR activities, we focus on four areas in which PwC people can play their part as shown below:



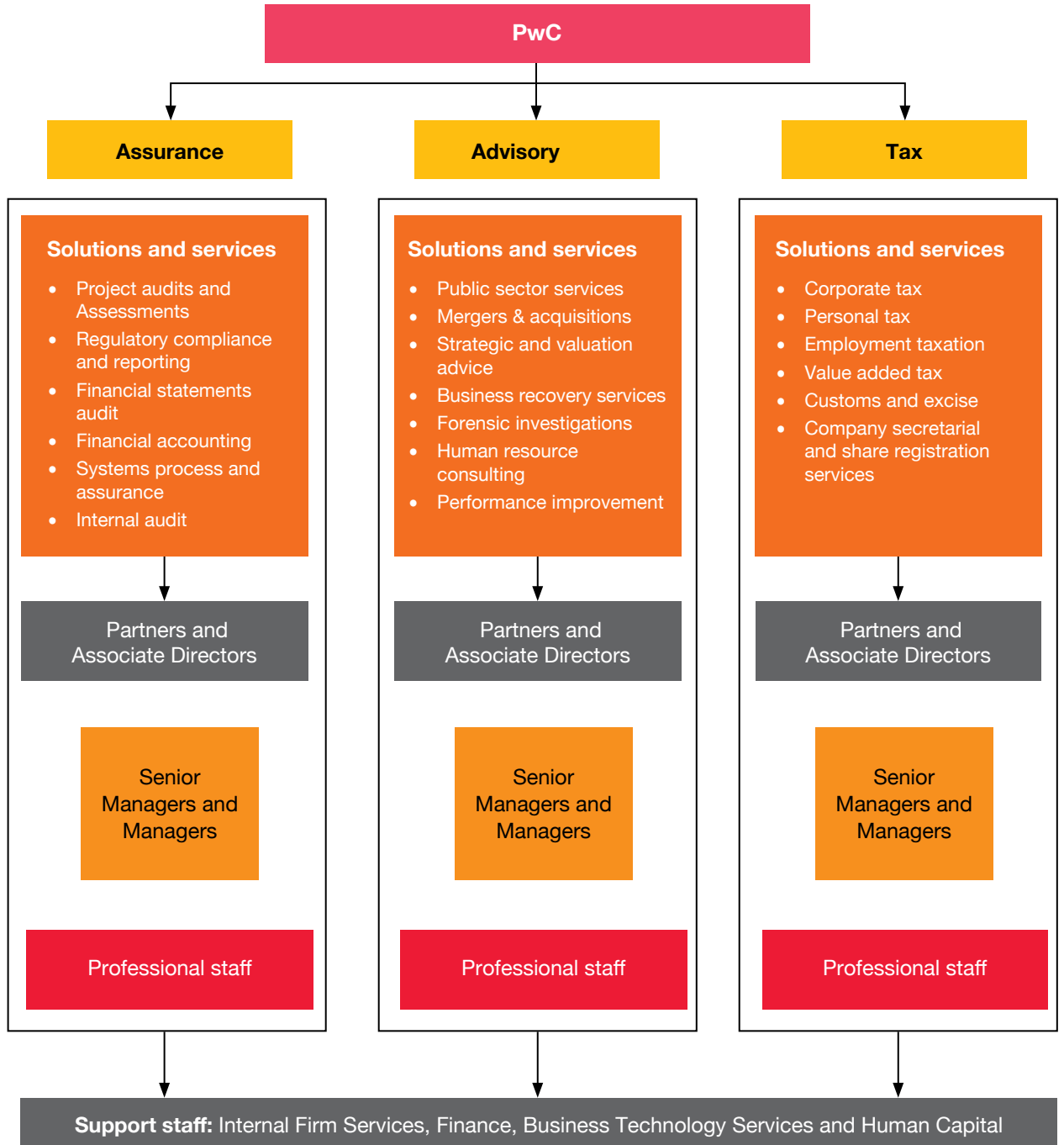


<p><b>1</b></p>  <p><b>Piga Jeki Mentorship Program</b></p>	<p><b>2</b></p>  <p><b>Faraja Cancer Trust</b></p>	<p><b>3</b></p>  <p><b>Global Give Back Circle</b></p>	<p><b>4</b></p>  <p><b>COVID-19 Emergency Respond Fund</b></p>	<p><b>5</b></p>  <p><b>Others</b></p>
<p>High school students mentorship program of age 17 - 20 as they prepare to go to university (career choice, life skills, etc)</p>	<ul style="list-style-type: none"> <li>• White Water Rafting event</li> <li>• Breast cancer month (inbound)</li> <li>• Olympiad (Inbound)</li> </ul>	<p>Mentorship for girls by PwC women</p>	<p>On a pro bono basis, PwC, together with the other 'Big Four' professional firms, has joined hands with the Government of Kenya and other distinguished private sector players to provide services that will contribute to the effectiveness of the COVID-19 Emergency Reponse Fund</p>	<ul style="list-style-type: none"> <li>• First Lady marathon funds audit</li> <li>• Christmas cheer</li> </ul>



## 1.6 Overview of our structure

We have the right people in sufficient numbers to choose from in order to provide the services that you require. Our office in Kenya has managed complex assignments in terms of geographical spread, funding, sector diversity and multiple partners. Our organisation structure is depicted as follows:



## 2. Our services

PwC provides a very wide range of services for both its public and private clients tailored to suit various needs in an ever changing business environment to enable companies and businesses to stay competitive.

Our firm is one of the world's largest providers of assurance, tax, and advisory services. We believe that the best outcomes are achieved through close collaboration with our clients and the many stakeholder communities we serve. At PwC, we measure success by our ability to create the value that our clients, our people and the wider investing public are looking for.

Our services include the following:

### 2.1 Assurance

Our Assurance line of service aids clients to enhance financial performance as well as helping them improve their external financial reporting and adopting new regulatory requirements.

Our assurance services include the following:

#### a) Financial audits

This covers institutional audits and audits of donor funded projects and is aimed at providing users of the financial statements comfort that financial records are maintained and financial statements prepared in accordance with the required accounting policies. This is achieved via issuance of an audit opinion on the financial statements.

#### b) Internal control assessments

Assessment of entity's internal controls to confirm compliance with own policies and procedures and best practice.

#### c) Micro-assessments/Organisational risk assessments/Management capacity assessments

Understanding, evaluation and validation of an organisation's systems and processes to determine whether its systems, operations and internal controls can be relied to manage donor funds.

#### d) Donor and regulatory compliance reviews

This involves review of compliance with donor agreement terms and conditions and other regulatory requirements

#### e) Procurement reviews

Review of organisation's procurement processes to check they comply with organisation's applicable policies and procedures.

#### f) Risk assurance services

These provide an invaluable safeguard in today's complex operating environment. We work with you in your boardrooms and back offices, helping you protect and strengthen every aspect of your business, from people to performance, systems to strategy, business plans to business resilience.

#### g) Expenditure verification

Examination of supporting documentation to confirm whether expenditure reported is in compliance with set eligibility criteria

#### h) Spot checks

Verification of specific components/outputs of a project to confirm whether project achievements are in line with the agreed/expected outputs.

#### i) IPSAS/IFRS implementation

This include IPSAS/IFRS gap analysis, IFRS/IPSAS compliance checks, training and capacity building as

well as technical support in transition to reporting using IFRS/IPSAS.

**j) Technical/Financial audits**

Working with technical specialists to provide assurance on both financial and technical operations of organisation or project, e.g. Engineers, etc

**k) Compilation engagements**

Work with clients to reconstruct/compile financial information/statements in preparation for audit or for management use.

**l) Financial monitoring**

Application of audit skills and expertise to carry out periodic verification of financial and nonfinancial information to provide comfort to donors on utilization of funds.

**m) Capital markets and accounting advisory services (CMAAS)**

We take the time to explore our clients' businesses and focus on uncovering ways to optimise value at every stage. Our CMAAS services range across the critical areas of accounting, financial reporting and capital market transactions.

**n) Actuarial services**

Unique contribution lies in our technical expertise and our ability to benchmark industry practice through our extensive industry client base. We believe that these attributes can provide businesses with the critical information and insights they need to develop successful competitive strategies and enhance shareholder wealth.

**o) Technical assistance on financial reporting and consolidation of financial statements**

Mainly to entities with multiple self-reporting branches/locations/subsidiaries

**p) Indirect cost rate engagements**

Examination of an entity's costs and structure to compute or audit its indirect cost rate for negotiation with its donors.

**q) Asset verification**

Physical verification of assets to assist in checking existence of the assets as well as completeness of asset records.

## 2.2 Advisory

PwC helps organisations to work smarter and grow faster. We collaborate with clients to transform their organisations and deliver tangible results in real time. Our advisory services include the following:

- a) Business recovery services** – Include operational restructuring, financial restructuring, corporate insolvency, crisis and stakeholder management, independent business reviews, insolvency solutions and interim management
- b) Monitoring & Evaluation** – Regular and periodic monitoring of project implementation; data quality reviews, mid-term reviews, Strengthening M&E capacity (Program capacity assessments and training of IPs), end of project evaluation and impact assessments.
- c) Portfolio and programme management services** – Finance process improvement, strategic planning, value driver analysis and performance management and reporting,



finance organisation reviews and process improvement, performance management and reporting, financial management solutions, supply chain management, operations management and enterprise-wide cost management

- d) **Forensics services** – Includes independent evaluations of loss and damage arising from a breach of contract, investigation and analysis of claims by using local knowledge of business/ accounting practice, addressing fraud or asset misappropriation, response to bribery and/or corruption claims or the suspicion of accounting manipulation or inappropriate/inadequate disclosure, compliance with anti-money laundering and other financial crime regulations and effectiveness of anti-fraud programmes, controls over financial reporting
- e) **Transactions** – Buy-side due diligence, vendor assistance and vendor due diligence, commercial and market due diligence, delivering deal value, business valuations, bid support and defence, transaction modelling and sale and purchase advisory services.

f) **Management consulting**

- i) **People and change** – Institutional development and capacity building, organisational reviews including restructuring, human resources due diligence, change management and change readiness
- ii) **Strategy and operations** – Development of efficient and sustainable business models that are responsive and competitive, reduction of costs and service improvement through use of shared service centres and outsourcing and improvement of procurement processes, organisational redesign and working capital reduction
- iii) **Technology** – Optimisation of the value from technology spend, alignment of information technology projects and IT organisational structure to business strategy, alignment of maintenance, security and support activities to operational needs and access to independent experts who can provide an objective view of your IT issues.

## 2.3 Tax and regulatory

### Tax Reporting & Strategy (TRS)

- Tax compliance and filing of returns
- Tax accounting and deferred tax
- Audit of Tax
- Tax risk assurance

### Tax Consulting Solutions (TCS)

- Corporate reorganisations
- Mergers & acquisitions
- Tax exemptions
- Investment financing
- Withholding tax on Inter-company arrangements
- Revenue Authority controversy resolution
- Inbound and Outbound investment

### Indirect Taxes (ITX)

- Optimising recovery of input VAT
- Refund of VAT
- Tariff classification
- Customs and Excise duty advisor
- VAT & Duty exemptions and refunds on capital investments
- International trade support

### People and Organisation (P&O)

- Preparation of monthly payroll and returns
- Remuneration and benefits planning
- Preparation and filing of self-assessment tax returns social security advice
- Review of employment contracts
- Advise on work permit and immigration visa requirements
- Preparation and submission of application or renewals
- Review of immigration records for expatriate staff

### Legal Services

- Entity governance and compliance
- Legal due diligence
- Incorporation of entities in Kenya

### Transfer Pricing Services (TP)

- Preparation of transfer pricing documentation
- Revenue Authority controversy resolution
- Transfer pricing and restructuring models
- Ongoing support and updates on legislative and regulatory developments

## 3. Our client base

PwC has significant and relevant experience in working with various local, regional and international organisations. We have a substantial client base in all sectors, which enables us to continually refresh our knowledge and to benchmark practices and controls across different sector players. Due to the diversity of our experience, we would be able to provide you with useful feedback on your issues, systems and controls from a sector-wide perspective.

Our client base includes:

- **International donor organisations such as** the United States Agency for International Development (USAID), Centers for Disease Control and Prevention (CDC), The Foreign, Commonwealth & Development Office (FCDO, formerly DFID), The World Bank, Global Fund, European Commission/Union, African Development Bank (AfDB), The Food and Agricultural Organization (FAO), Swedish International Development Agency (SIDA), Canadian International Development Agency (CIDA), Australian Development Agency (ADA), KfW Development Bank, The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, GAVI Alliance, DANIDA and United Nations entities such as UNDP, UNICEF, UNFPA, UNIDO, UNOCHA, UNEP and UNHCR, among others.
- **Regional Intergovernmental and organisations such as** African Union Commission (AUC), Trademark East Africa, the East African Community (EAC), African Society for Laboratory Medicine (ASLM), Open Society Initiative for Eastern Africa (OSIEA), Common Market for Eastern and Southern Africa (COMESA), Intergovernmental Authority on Development (IGAD), Regional Center on Small Arms (RECSA), Regional Center for Mapping of Resources for Development (RCMRD) and Eastern Africa Standby Force (EASF), among others.
- **International not-for profit organisations such as** World Vision, Global Communities (formerly CHF International), Marie Stopes, Management Sciences for Health (MSH), Technoserve, SNV Netherlands, The World Agro-forestry Centre (ICRAF), Pathfinder International, Save the Children International, Care International, Action Aid International Kenya and The International Federation of Red Cross and Red Crescent Societies (IFRC), Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), Grand Challenges Canada, Terra Nuova, Vétérinaires Sans Frontières (VSF), HelpAge International, International Crisis Group (ICG), International Livestock Research Institute (ILRI), African Development Solutions (Adeso), We Effect, VI Agroforestry, Practical Action, Coffey International, Adam Smith International, Innovations for Poverty Action and Intrahealth, among others.
- **Local not-for-profit organisations such as** the Northern Rangelands Trust (NRT), Kenya Markets Trust, Gold Star Kenya, Act Change Transform (Act!), National Organization for Peer Educators (NOPE), Kenya Medical Research Institute (KEMRI), Uraia Trust, Maasai Mara Wildlife Conservancies Association (MMWCA), Federation of Women Lawyers (FIDA), Lewa Wildlife Conservancy (LWC), Laikipia Wildlife Forum, Kenya Human Rights Commission, Coptic Hospital of Kenya, Wajir South Development Association (WASDA), Kenya Conference of Catholic Bishops (KCCB), Shining Hope for Communities Kenya (SHOFCO) and Ushahidi, among others.
- **Government Ministries, Departments, Agencies and Constitutional Offices such as** The National Treasury/ Ministry of Finance, Ministry of Health, Ministry of Devolution, Ministry of Education, Ministry of Transport, Infrastructure, Housing and Urban Development and Salaries and Remuneration Commission (SRC), among others.
- **State Corporations and Semi-Autonomous Government Agencies (SAGAs) such as** Office of the Auditor General (OAG), Kenyatta University, Moi University, University of Nairobi, Water Sector Trust Fund (WSTF), Geothermal Development Company (GDC), Moi Teaching and Referral Hospital (MTRH), Kenya Roads Board (KRB), National Youth Service (NYS), Unclaimed Financial Assets Authority (UFAA) and Kenya Wildlife Service (KWS), among others.
- **County Governments such as** Kakamega, Narok, Kisumu, Trans Nzoia, Kitui and Homa Bay, among others.

## 4. Overview of our staff competencies and experience



High quality and personalized service is part of our culture. This comes through our people. Our commitment to render superior service is emphasized by the composition of our team of specialists. We select our teams for specific engagements based on their relevant experience, skills and drive to provide our clients with the highest quality of service.

Our teams have a combination of talents and skills covering financial management both in private and public sectors, project management, institutional support, accounting, auditing, value-for-money reviews, rolling internal audits, investigative audits, legal and other regulatory compliance audits and technical expertise in industrial and development projects.

The teams have been servicing clients in the public sector and will leverage on the experience and understanding gained to ensure that we meet and exceed your expectations. We will invest on time and effort in building relationships, both with the key

stakeholders of the organisation and within our team to make the work effective, efficient and enjoyable.

The list below provides a summary of the key competencies of our specialists and their relevance to the qualities required to deliver this assignment successfully.

1. Experience in financial audit of financial statements of both international, regional and local non-governmental organisations;
2. Experience in audits of donor funded programmes implemented by parastatals, Government ministries and other Government agencies;
3. Involvement in complex assignments in terms of geographical spread, involving multiple partners, cross cutting issues hence requiring a holistic approach;
4. Financial management support/capacity building;
5. Review of tax compliance for non-profit organisations;
6. Knowledge and experience in International Standards on Auditing (ISAs);
7. Experience in carrying out speedy and timely audit and other related assignments, hence meeting tight deadlines;
8. Experience in review of financial statements for compliance with statutory regulations and requirements;
9. Involvement in audits on compliance with quality standards, procedures and regulations; and
10. Professionals with good understanding of accounting, technical, and project/contract management.

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