



CAPABILITY STATEMENT

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COMPANY DETAILS

Company Name:	DMC Associates, Certified Public Accountants of Kenya
Affiliated Entities:	DMC Consulting Limited, provider of Tax and Financial Advisory Services
PIN No:	P051332165X
Legal Structure:	Partnership
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COMPANY PROFILE

Core Competencies

DMC Associates has consistently and continuously provided the highest quality Audit & Assurance services since 2010. Our in-house audit team collectively represents 30 years' of auditing and specializes in successfully delivering of audit projects. Our successful track record is built upon a combination of diligence, flexibility, and due process, all of which provide a thorough understanding our clients' needs. Our quality policy, coupled with competitive rates and an extensive staff base of qualified personnel, combine to make DMC Associates the right choice for your Audit & Assurance needs.

As you will see from the successful past projects listed below, DMC Associates specializes in providing Statutory and Special Audits.

Brief History

DMC Associates was founded by Danson M. Mwangi and registered on July 2010 to provide Audit & Assurance services. Previously Danson M. Mwangi operated the firm under the name Danson Mwangi & Associates

Danson Mwangi & Associates had been formed in 1997 and had been operation till June 2010 The change to DMC associates led to restructuring of the firm in strengthening of capacity for service delivery and ensuring that clients continue to achieve greater value for money through value adding solutions and the resultant economies of scale.

DMC Consulting Limited an affiliate of DMC Associates is a mid-tier consultancy firm that is striving to take up a leading role in the provision of value adding professional solutions in Financial & Management consultancy to a wide range of clientele.

Value Proposition

Our Vision:

- *To be the **choice service provider** of financial consultancy*

Our Mission:

- *To **support and guide** our clients to achieve business success.*

Our Core Values:

- *Timeliness; Integrity; Learning; Innovation; Excellence Confidentiality and security of information*

Our Quality Policy

- *To set a high quality standard threshold across all our systems in fulfilling our client needs.*

Competitive Advantage

Our Culture:

- We consistently invest in holistic training of the best personnel to develop and empower dynamic consultants. As a result, we have a pool of talented consultants at your disposal.

Our Facilities:

- We have an ample office space to provide our consultants with a stimulating working place ambience. We have in place state of the art technology and equipment to enable our consultants to give out their best.

Who we are:

- We are a people who are raring to go out of our way to ensure our clients' needs are delivered beyond their expectations.

CAPABILITIES AND CAPACITY

Business units:

- Audit & Assurance-handled by DMC Associates
- Financial Advisory-handled by DMC Consulting Limited

Services

1. Audit and Assurance

(i) Statutory Audit

This has been designed to enable our clientele meet legal and regulatory requirements. We have expertise to issue financial reports for:

- Companies
- Financial Institutions – Banks, MFIs, Saccos, Stock Brokers/Investments Banks, Pension/Provident Funds, *Chamas*, etc
- Non-governmental and charitable organizations
- Hotels and hospitality businesses
- Schools and educational institutions
- Churches and religious organizations.
- Family businesses

(ii) Special Purpose Audits

Audits performed for specific objectives other than legal or regulatory. Some reasons for such audits may be due to:

- Provision of information on which to base critical decision
- Strengthening of governance
- Facilitate identification and redressing of financial and procedural weaknesses
- Requirements of stakeholders
- Achievement of a specific objective

2. Tax Services

We provide our clients with advisory and compliance services which enable them to honor their personal, corporate and employee tax obligations in a cost effective manner. This involves provision of among others, the following range of services;

- Acting on behalf of our clients in filing of tax returns and attending to routine tax matters.
- Undertaking registration with KRA online on behalf of our clients.
- Applying for exemption status on behalf of clients for qualifying cases.
- Applying for investment deduction on behalf of clients for qualifying cases.
- Applying for tax compliance certificate on behalf of clients.
- Representing our clients during audit and investigation of Income tax or VAT undertaken by KRA.
- Issuing audit certificates for VAT refunds from KRA.
- Undertaking regular tax health checks.
- Maintenance of up to date tax records on behalf of clients

3. Business Process Outsourcing

It is the handling of various components of business operations on behalf of external parties, with a view to enabling our clientele to focus on what they know best.

(i) Book-keeping and Accounting

Advice on set up of computerized accounting systems including instituting relevant internal controls to ensure implementation of adequate and reliable accounting functions within an organization.

This includes provision of outsourced book-keeping and accounting services including preparation of relevant management reports and statutory returns.

(ii) Internal Audit

Our service is intended to ensure that client's operations are conducted according to the highest standards by providing an independent, objective assurance function and by advising on best practice. Through a systematic and disciplined approach, DMC will help our clients to accomplish their objectives by evaluating and improving the effectiveness of risk management, control and governance processes.

DMC's internal audit function is intended to ensure that our client's entities are organized in a business-like manner consistent with clearly documented policies, procedures and internal controls. This would most likely entrench discipline in management and governance. There must also be a risk management mechanism in place to help in identifying, assessing and mitigating the impact of business risks while ensuring compliance to legal and regulatory requirements.

Even properly documented policies and procedures and good system of internal controls need to be constantly improved. This could be achieved through regular independent reviews by DMC, to assure our clients about the appropriateness of their entities' policies and procedures as well as reliability of internal controls.

(iii) Projects Audit & Evaluation

Our project audit and evaluation verifies the application of best practices and standards in programs or projects thereby instilling transparency. By examining documentation and standards together with interviews, using best practice questionnaires, we analyse the as-is situation within programs and projects. Then we formulate clear recommendations for improvements.

We conduct our audits in a 3-phase approach:

- The **Preparation Phase** entails proper planning and launch of the audit project so as to ensure that there is a common understanding between our client and our consultants on the scope and objectives of the assessment.
- The **Interview & Analysis Phase** is the heart of the assessment since it will enable us to collect all the information on actual project management practices. This will help us to analyse and consolidate all the information collected during the different interviews.
- The **Recommendation & Report Phase** is to enable us to develop recommendations to promote best practices in the area of project management and to gather all the results of the study into a final report.

Typical content of the final report includes:

1. Analysis of the strengths and improvement areas of current project management approach
2. Comparison of internal best practices with local and international recognised best practices and drawing learning points.
3. Formulation of recommendations or improvement initiatives
4. High level action plan for the implementation of the proposed initiatives

(iv) Financial Management Agency Services

Client or project focused financial management services. This ideally targets grants or other funds geared towards implementation of specific projects. DMC will take custody of the funds and manage the same according to stipulations given by the donors. DMC will also provide periodic reporting as per donor requirements. At end of project, DMC will also facilitate an independent financial audit. In a nut shell financial management agency services we provide entail but are not limited to the following;

- Taking custody of the project funds and manage the disbursement of funds in accordance with the approved budget and laid down policies and procedures;
- Making timely disbursement of funds;
- Ensuring adequate support documentation, verification and approval for each disbursement;
- Participating in relevant project stakeholders' meetings

- During stakeholders' meetings, raising or attending to financial issues affecting stakeholders including presentation and discussion of up to date financial reports where necessary;
- Maintaining in a systematic manner an authentic financial record of all funds expended;
- Preparing financial report clearly indicating funds disbursed analyzed as per approved budget and remaining balance of funds;
- At end of the project produce the financial report of the project including all financial records and any information and explanations required for the purpose of an external audit;
- Handing over the project's financial records, funds in our custody (if any) and such other related items as may be in our possession to the appointing authority.

(iv) Information Technology Consultancy

The firm provides a range of IT services to ensure that its clients are up to date with the latest changes in IT.

Some of the services provided by the firm are:

- (a) Conducting systems design reviews and implementation of strategy reviews
- (b) Conducting risk assessment within the information systems environment and advising on mitigation actions needed
- (c) Conducting pre and post implementation audits for new systems
- (d) Advice on implementation of new software such as accounting, payroll, inventory, ERPs, etc.

(v) Human Resources

We provide human resource outsourcing and the following range of services are available:

- **Payroll administration**, including produce pay cheques, handling taxes, and dealing with sick time and annual leave.
- **Employee benefits**, including health, medical and life insurance, Pension plans and cafeteria plans.
- **HR management**, including recruiting, hiring and firing. This also includes background interviews, exit interviews and wage reviews.
- **Risk management**, including workers' compensation, dispute resolution, safety inspection, office policies and handbooks.

(vi) Forensic Audits & Litigation Support

Our specialized knowledge and investigative skills comes in handy in analysing and evaluating evidential matter including interpretation and communication of findings. We perceive a forensic audit to encompass the following:

- Establishing the genesis and nature of fraud that has been operating
- Determining how long the fraud has been operating
- Investigating how the fraud was concealed over the duration
- Identifying the people involved in conceiving and perpetuating the fraud
- Quantifying the financial loss suffered as a result of the fraud

- Evaluating and gathering sufficient evidence to sustain court proceedings
- Providing advice as to prevent the reoccurrence of fraud.

4. Management Consultancy

We have inculcated the practice of helping organizations to improve their performance, primarily through the analysis of existing organizational problems and development of solutions for improvement. Our clientele may draw upon our services to gain from our objective advice and access to our specialized expertise.

As a result of our exposure to and relationships with numerous organizations, we have gained awareness of industry “best practices“, and do understand that the transferability of such practices from one organization to another may be limited by the specific nature of circumstances under consideration.

Our services range is as follows:

(i) *Financial*

We understand that financial management is an important component for a healthy business. Owners and managers need the ability to review financial statements and reports to determine if the business is meeting financial goals. We will analyse current and prior financial statements to determine not only if finances are in order, but also if the proper reports are being generated. We will also review cash management procedures, accounting policies and controls, and relationships with customers and creditors. Where necessary, we have the capacity to provide oversight on capital restructuring or on complete overhaul or upgrade of the internal accounting systems.

(ii) *Tax Planning*

We conduct tax planning in order to minimize tax liability for tax payers by analysing all available options such as exemptions, deductions and rebates provided for under the tax laws. In Kenya, these options can be analysed in view of personal and corporate taxes.

(iii) *Risk Management*

Risk management is a key component in business today. There is risk in people, processes, environment, etc. Our consultancy is to enable businesses to identify assess and mitigate the impact of risks. For example, a manager or hands-on owner can become so ingrained in the daily operations that he loses sight of the bigger picture. Likewise, he may be bogged down with details that blind him to obvious pitfalls that need attention. An IT risk assessment may point out the possibilities for system hacks or other breaches of security. An analysis of the company’s accounting system may detect possible loopholes that are ripe for fraud.

(iv) *Strategy and Operations*

For a business to be successful, it must have a growth strategy in place that combines minimizing operational costs while increasing profits. Our consultants have experience in industry-specific areas. For example, we have teams that are dedicated to manufacturing clients. They use their expertise to

consult with clients on operational issues such as streamlining processes, capitalizing on bulk buying of raw materials or utilizing staff more efficiently. They also consult on strategic planning by assisting senior management in setting goals for properly timed growth while continuing to produce high quality and outstanding performance.

5. Corporate Secretarial

Our sister firm 'Ewise Corporate Advisory' offers corporate secretarial services covering the areas of preparation and filing annual returns, share transfers, changes in directorships, minute taking and maintenance of statutory records, conducting of due diligence, among others.

6. Corporate Advisory

(a) Business Valuations

Undertaking business valuation depending on the nature of transaction anticipated e.g. acquisition/strategic investment, divestment, etc.

(b) Due Diligence

We undertake independent examination of the financial, operational, legal or strategic aspects of a business or contractual prospect to identify the underlying issues and how they might impact on the potential transaction.

(c) Feasibility Studies

It involves our consulting team undertaking a background research for new projects to ensure they are technically and financially viable if implemented.

OUR CREDENTIALS

Name:	Position in the Firm	Qualifications	Years of Experience	Specialization
Danson M. Mwangi	Managing Partner	CPA, (K), CISA	Over 20 years	Audit, tax & financial advisory
Samuel K. Njuguna	Audit Partner	CPA, (K)	Over 15 years	Audit, tax & financial advisory

SELECT TOP CLIENTS

CLIENT NAME	TURNOVER (KSHS)*	DETAILS
Outlook Limited	5.5 billion	Cigarette distribution; external audit
Capital Airtime Limited	1.8 billion	Airtime distribution; external audit
Hipora Business Solutions (EA) Limited	240 million	Loss in retail solutions; external audit
ActionAid International Africa	260 million	Africa International Secretariat; external audit
Kenya AIDs NGOs Consortium (KANCO)	390 million	Association of AIDS NGOs; external audit
ActionAid-FLOW Project	160 million	Project audit & evaluation
ActionAid Fair Green Global Project	20 million	Project audit & evaluation
Federation of Kenya Employers	380 million	Employers' member body; external audit
KANCO-REF(TB ACTION) Project	160 million	Project audit & evaluation
Health Rights Advocacy Forum (HERAF)	100 million	Health advocacy; external audit
Mojo Productions Ltd	350 million	TV commercials production; external audit
FKE-CEC-NHO Partnership Project	10 million	Project audit & evaluation
FKE-FFP-NHO Partnership Project	6 million	Project audit & evaluation
Jabali Microserve Limited	500 million	Lender of MFIs; external audit
Jitegemea Credit Scheme Limited	250 million	MFI: Conducted forensic audit for 2012 & 2013
Association of Women in Media in Kenya (AMWIK)	70 million	NGO: Conducted forensic audit for 2013 & 2014