

## **Terms of Reference (TOR) for Consultancy to Provide Institutional Audit Services**

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**REFERENCE NUMBER:** TIK/FI/003/2024

**DESCRIPTION:** Audit firm to provide institutional audit services

**DEADLINE FOR SUBMISSION:** 21<sup>st</sup> May 2024

**POSTING DATE:** 15<sup>th</sup> May 2024

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### **Organizational profile**

Transparency International Kenya (TI-Kenya) is a not-for-profit organization founded in 1999 in Kenya with the aim of developing a transparent and corruption-free society through good governance and social justice initiatives. TI-Kenya's mission is to champion the fight against corruption by promoting integrity, transparency and accountability. TI-Kenya is one of the autonomous chapters of the global Transparency International (TI) movement that are all bound by a common vision of a world in which government, politics, business, civil society and the daily lives of people are free of corruption. TI-Kenya's work is currently organized around four strategic focus areas namely, Citizen Demand and Oversight; Natural Resources and Climate Governance; Public Finance Management; and Institutional Development.

### **Background of the Assignment**

TI-Kenya believes that sound financial management, internal controls, and effective governance are essential components in ensuring the organization's credibility, transparency, and accountability to its stakeholders, including donors, partners, and the public. The regular assessment of these internal mechanisms through annual institutional audits is imperative to identify potential risks, areas of improvement, and to uphold the highest standards of integrity. In light of this commitment, TI-Kenya is seeking the services of a qualified and experienced Auditing Firm to conduct institutional audit assignments for the Organisation.

### **Purpose and Scope of the Assignment**

TI-Kenya is seeking the services of a qualified audit firm to provide institutional audit services.

### **Specific Objectives of the Assignment**

The specific objectives for this assignment are:

1. To perform the audit in accordance with International Standards on Auditing (ISA's) and to provide an audit opinion as to whether the financial statements of TI-Kenya have been prepared, in all material respects, in accordance with the generally accepted accounting principle and applicable international financial reporting standards.
2. Preparation of such other income and expenditure schedules as TI-Kenya shall deem necessary as constituting part of the annual report and financial statements.
3. Assessment of TI-Kenya's compliance with provisions of applicable laws, organizational policies, contracts, grant agreements and relevant regulatory authorities.
4. Review of the appropriateness, adequacy, and operational effectiveness of the internal control systems of TI-Kenya and highlight any deficiencies.
5. Provision of an audit management letter setting out findings, implications and recommendations for improvements whilst accommodating management comments and conducting follow-up of status of implementation of prior year audit recommendations and taking corrective action plans

### **Eligibility Criteria**

Bidding firms will be required to meet the following criteria:

1. Be registered with the Institute of Certified Public Accountants of Kenya (ICPAK) and its partners must hold a current Practicing Certificate.
2. Have at least two partners who must be in good standing with ICPAK, while the Firm and its Partners should not have been subject to any disciplinary action by ICPAK or other related professional bodies.
3. Should have been in operation for a period of at least five years.
4. Should demonstrate that it has the capacity, capability and experience required to undertake the audit within required timelines taking note of statutory timelines such as annual return submissions to the NGO Co-ordination Board.
5. The firm should demonstrate experience auditing Not for Profit organizations with multiple funding mechanisms and sources including restricted and unrestricted funds.
6. The audit firm and its staff should be independent of TI-Kenya and this independence will be required to be subsequently affirmed in the engagement letter.

## Deliverables

The expected deliverables from the institutional audit engagement shall be:

- i. Audited financial statements - including an audit report reflecting opinion on whether the financial statements reflect a true and fair view of the financial position of TI-Kenya
- ii. Management letter with audit findings the auditor deems necessary for management action

## Qualifications/Profile of Potential Grantees

The following are the required qualifications of the Institutional Auditor:

1. A holder of a degree in Accounting, Finance, Business Administration, Economics, or a related numerate discipline. A Masters would be an added advantage.
2. Relevant professional certification in Auditing.
3. Relevant professional membership with the Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Internal Auditors (IIA).
4. Minimum of seven years of experience in the institutional audit function.
5. Demonstrable track record, knowledge and experience working with the various Boards in the private sector, NGOs and public institutions.
6. Have excellent writing and analytical skills.
7. Have excellent communication and project delivery skills.

## Submission of Bids

1. An expression of interest documenting your understanding of the assignment, methodology for carrying out the engagement, expected outputs and tax-inclusive costs for conducting the institutional audit assignment.
2. Profile with the resume of the lead consultant and/or firm.
3. At least three (3) recent reference letters.

**NB: The above should be shared as a single pdf document of not more than 20 pages.**

The deadline for submission of expressions of interest is Wednesday 21<sup>st</sup> May 2024. Applications should be sent by **email** to [consultancyapplication@tikenya.org](mailto:consultancyapplication@tikenya.org). Please indicate

**“TIK/FI/003/2024- Provision of Institutional Audit services”** in the subject line of your email application.

### **Complaints Process**

This call for Expression of Interest does not constitute a solicitation and TI-Kenya reserves the right to change or cancel the requirement at any time during the EOI process. TI-Kenya also reserves the right to require compliance with additional conditions as and when issuing the final solicitation documents. Submitting a reply to a call for EOI does not automatically guarantee receipt of the solicitation documents when issued. Invitations to bid or requests for proposals will be issued in accordance with TI-Kenya rules and procedures. Any grievances and or complaints arising from the evaluation process and the final tender award can be addressed, in writing, to the Executive Director and the TI-Kenya Tender Complaints Committee.

**Executive Director  
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Bishop Magua Centre, Off Ngong Road,  
George Padmore Lane  
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