Terms of Reference (TOR) for Consultancy to Conduct Internal Audit and Risk Management

REFERENCE NUMBER: TIK/FI/003/2024/

DESCRIPTION: Internal Auditor (Consultant/Part Time)

DEADLINE FOR SUBMISSION: 21st May 2024

POSTING DATE: 13th May 2024

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 internal 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 consultant to conduct internal audit and risk management. The objective for the internal audit and risk management function is to assess the organization's internal controls, financial management, and compliance with relevant laws and regulations at agreed intervals and provide an independent and comprehensive evaluation and to recommend measures for enhancing efficiency, transparency, and accountability.
Purpose and Scope of the Assignment

TI-Kenya is seeking the services of a qualified consultant to provide internal audit and risk management services.

Specific Objectives of the Assignment

The objectives for this assignment are:

1. Conduct internal audits to assess the organization's internal controls, financial management, and compliance with relevant laws and regulations.
2. Identify and assess potential risks to the organization's programmes, finances, operations and processes, and reputation.
3. Develop a comprehensive risk management plan and provide recommendations for enhancing internal controls and risk mitigation strategies.

Scope of Work

The consultant is expected to:

1. Develop an annual internal audit and risk assessment plan and schedule covering all TI-Kenya departments namely programmes, finance, operations and human resources.
2. Perform quarterly internal audits and risk assessments in accordance with professional standards.
4. Perform other tasks related to audit, compliance and risk management as assigned by the Board of Directors.

Key Tasks, Duties and Responsibilities

Review of Internal Controls

1. Review the organization's financial, programmatic and operational including human resource and administration records, policies, and procedures;
2. Examine compliance with applicable laws, regulations, and organizational policies;
3. Analyze financial transactions and other institutional processes and records for accuracy and completeness;
4. Assess accounting and financial management policies, implementation and recommend to
the Board for approval, any changes to accounting and financial management policies;
5. Review the internal control framework and make recommendations to consistently ensure
its compliance. This includes assessment of whether there are adequate controls over
special or complex transactions;
6. Review the propriety of all transactions between TI-Kenya and related parties;
7. Review and recommend the Organization’s quarterly and annual financial statements to
the Audit, Compliance and Risk Management Board Committee.

Risk Management

1. Evaluate the effectiveness of internal controls and risk management practices across TI-
Kenya departments, operations and processes;
2. Develop a risk assessment framework and conduct a risk assessment;
3. Create a risk management plan with identified risks, potential impacts, and mitigation
strategies;
4. Provide training and capacity building to relevant staff on risk management;
5. Develop a comprehensive Enterprise Risk Management Policy and framework for the
Organization to guide its integration with other organizational planning and management
activities;
6. Evaluate the adequacy of the Organization’s internal control framework in addressing risks
and accomplishing the Organization’s goals and objectives;
7. Liaise with TI-Kenya management in ensuring the development and monitoring of quality
departmental risk registers and action plans to ensure risk mitigation efforts are proceeding
as required.

Audit Management

1. Documenting audit procedures, developing criteria, reviewing and analyzing evidence, and
documenting processes and procedures;
2. Review and recommend to the Audit, Compliance and Risk Management Board
Committee for approval, the annual and any interim audit plan of all audits;
3. Consult the Audit, Compliance and Risk Management Board Committee in ensuring the
identification and prioritization of risks and reporting;
4. Continuously monitor implementation of the annual audit plan;
5. Conduct interviews and gather information from relevant staff;
6. Identifying, developing and documenting of audit issues and recommendations.

**Reporting**

1. Provide a draft audit report and risk assessment report for review;
2. Address feedback and finalize the audit and risk assessment reports;
3. Present findings, recommendations, and the risk management plan to the organization's management and the Audit, Compliance and Risk Management Board Committee;
4. Prepare a comprehensive internal audit report with findings and recommendations to be presented to the Audit, Compliance and Risk Management Board Committee of TI-Kenya.

**Participation in the Audit, Compliance and Risk Management Board Committee meetings**

1. The Internal Auditor is expected to attend and report in the quarterly meetings of the Audit, Compliance and Risk Management Board Committee of TI-Kenya;
2. The Internal Auditor will attend the Audit, Compliance and Risk Management Board Committee meetings in an ex-officio capacity and serve as the Secretary of the Committee ensuring that minutes of the Committee meeting are taken.

**Timelines**

The assignment is expected to be conducted over four quarters in one financial year.

**Qualifications/Profile of Potential Grantees**

The following are the required qualifications of the Internal 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 Audit and risk.
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 at a management level in the internal control/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 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 21st May 2024 Applications should be sent by email to consultancyapplication@tikenya.org. Please indicate “TIK/FI/003/2024-Internal Auditor” 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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