



EXPRESSION OF INTEREST

EXTERNAL AUDIT SERVICES

Tender No: YAA/MP/01/2019

1. Background Information

The Youth Agenda (YAA) is an Not for Profit Independent National Youth Development and Advocacy organization founded in 1996 to facilitate a participatory process that enables young people to assert their role and visibility in governance and development in Kenya. Since its establishment, Youth Agenda has remained focused on its mandate of championing youth issues in Kenya through capacity building, research, public education and advocacy.

In line with this mandate, the youth agenda secured grant funding from a number of funding partners (including the European Union, UN Women, Ford Foundation and the National Democracy Institute) to finance strategic projects aimed at making the youth factor count in various policy and economic development spheres.



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We would therefore like to engage a reputable audit firm to carry-out a statutory audit for the financial year ending December 31, 2017. The audit will also include such other required schedules or analyses as YAA has determined are necessary in order to ensure that donor resources are being properly managed.

2. Audit Objective

The objective of the YAA audit is to obtain reasonable assurance that the financial statements reflect a true and fair representation of the financial position of the organization in its obligations to donors. The audit will be performed in accordance with International Standards on Auditing (“ISA”) and assess compliance with relevant regulatory requirements in order to provide an independent auditor’s opinion on the financial statements.

In addition to the audit report, the auditor will prepare a Management Letter on completion of the audit in which he/she will:

- a. Provide comments and observations on the accounting records, procedures, systems and controls that were examined during the audit.
- b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- c. Report on the implementation status of recommendations pertaining to previous audit reports.
- d. Communicate matters that have come to his/her attention during the audit, which might have a significant impact on the sustainability of the organization.
- e. Bring to the Directors’ attention any other matters that the auditor deems pertinent.

3. Scope of Audit

YAA invites qualified audit firms to submit proposals to perform annual external audit services. The external audit services required will include, but not be limited to;

1. Conducting an entry and exit meeting with the CEO, the Board’s Finance Committee and YAA Finance Officials.
2. Determining whether resources were used in accordance with the provisions of existing grant agreements with due concern for thrift and efficiency, and only for the purposes for which they were intended;
3. Investigating whether goods and services funded were procured in accordance with the relevant procurement procedures as established.



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4. Determining whether appropriate supporting documents, records and books of accounts relating to all activities have been kept.
5. Investigating whether project assets were properly accounted for and secured.
6. Conducting a comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control systems.
7. The auditors will also review the rules governing the use of resources made available to the organization and monitor their implementation.

4. Key Deliverables

The key deliverables of the external audit will be:

- 1. Audited Financial Statements (in KES) indicating if accounting standards have been applied and whether they reflect a true and fair view of the financial position of YAA in its obligation to donors.**
- 2. Management Letter where matters that are not material to the financial statements, but which the auditor wishes to communicate to YAA management be reflected for action.**

* All audit reports and accompanying statements of financial position shall, at a minimum, be presented in English.

5. Eligibility Criteria

Eligible audit firms should meet the following criteria/requirements:

- 1. Compliance with legal requirements of registration. {Certificate of Registration, Physical Address Information & Practicing Certificate for the firm & Partner(s)}**
- 2. Experience in NGO audit reporting under International Financial Reporting standards (IFRS) and International Standards on Auditing (ISA).**
- 3. A letter of good standing from ICPAK.**
- 4. Tax Compliance Certificate**
- 6. Must have been in existence for more than 5 years.**
- 8. Company profile and detailed CV's of the proposed audit team, including a partner, team leader and any other staff that will undertake the audit assignment.**
- 9. A break-down of proposed audit fees, with a proposal on how fees charged will be calculated, with indication of involvement/time allocated in providing the said services.**



6. Audit Implementation

Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the scope of audit. This will include the approach to be used to gain an understanding of YAA's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the audit, indicating how the firm will: -

- 1. Determine audit strategy and undertake audit planning;**
- 2. Address matters of audit scope and materiality;**
- 3. Identify and respond to critical audit issues;**
- 4. Control and co-ordinate the audit process;**
- 5. Ensure appropriate responsibility for decisions on the audit; and**
- 6. Conduct the reporting arrangements.**

7. Terms & General Conditions for Engagement

1. YAA reserves the right to reject any and all proposals for any reason. The lowest of any proposal may not necessary be accepted. The acceptance of any proposal is at the sole discretion of YAA subject to funds being legally available to complete the transaction. There is no expressed or implied obligation of YAA to reimburse responding firms for any expenses incurred in preparing proposals in response to this expression of interest.
2. The designated team of the selected firm will work in strict confidence and will ensure that sensitive information (with respect to YAA financial data, procedures, personnel records and donor records) is not compromised. A declaration for maintaining confidentiality should be provided by the firm before commencement of work.
3. The Auditor shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of an adverse qualified opinion with respect to the financial statements, inform and fully discuss such matters with the appropriate YAA staff. In addition, the Auditor shall as far as possible, allow a reasonable period of time for YAA staff to make an investigation, analyse, report and take such corrective action as to avoid the inclusion of such qualification where possible.
4. The Audit firm and staff must be independent of YAA and/or its donors; and affirm their independence in the engagement letter.
5. Any actual or potential conflict of interest in taking up this role should be disclosed and highlighted.

8. Submission Guidelines



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1. A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided. The letter must include the name of the person who will be authorized to make representations for the firm, their title and telephone number, along with documents and requirements listed in the **Eligibility Criteria** and **Audit Implementation** sections of this document.
2. The person signing the covering letter must be authorized to bind the firm.
3. The proposal submitted should have a maximum of 25 pages, inclusive of the statutory requirements which shall be attached separately.
4. The proposal subject line should clearly read, **"EOI: EXTERNAL AUDITORS 2017."** and addressed to:

The Chief Executive Officer,
Youth Agenda,
P.O Box 10174 – 00100,
Nairobi, Kenya.

5. Mode of submission: **ONLY electronically submitted proposals will be accepted.** They should be submitted to the following email: info@youthagenda.org. The deadline for submission of the proposal is: 25th February 2019 at/or before 17:00 hours East African time. Only shortlisted bidders will be invited to present themselves for interview at YAA offices at a date to be communicated. For any questions, send an email to: info@youthagenda.org.