

The Fortune Five Hundred Health Group.

Terms of Reference for the External Auditors

18th November 2019

A. Background

Fortune Five Hundred (F-500) Health Group is a company comprising over 330 Kenyan Doctors born out of the desire to deliver quality healthcare. The company is a holding company for Fountain Healthcare Limited which currently has facilities in Bungoma, Eldoret and an upcoming one in Nairobi. Its anchored in a unique investment model for a sustainable livelihood beyond the years of practice for its members. We are seeking to engage the services of an External Auditor effective March 13th 2020 for a consideration between Ksh 250,000-400,000.

B. Objectives and Scope of the Audit

The objective of the audit is for the auditors to conduct audit reviews as follows:

1. The auditors shall express an independent professional opinion as to whether the financial statements present fairly, in all material respects, the financial position of F-500 HEALTH GROUP in accordance with the International Financial Reporting Standards (IFRS).
2. The audit shall be carried out in accordance with the International Standards on Auditing (ISAs) as issued by the International Federation of Accountants (IFAC).
3. Management letter: The Auditors should submit a management letter after the completion of the audit in which auditors will:
 - i. Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement.
 - ii. Examine on test basis that appropriateness of supporting documents, records and books of accounts relating to all business activities
 - iii. Include management responses to audit findings and recommendations
 - iv. Any matters that come to the auditor's attention during the audit that might have a significant impact on the Group.
4. The audit reports:

- v. Shall contain details of the method and scope of audit and assurance that the audit was performed in accordance with International Standards of Auditing and by a qualified auditor
- vi. Shall contain the audited annual Financial Statement
- vii. Shall be signed by the auditor responsible stating the title
- viii. Shall be written in English
- ix. Shall be issued in soft copy for circulation to F-500 HEALTH GROUP Board of Directors and 3 hard copies will be produced and delivered to F-500 HEALTH GROUP for approval, signing and filing.

C. Responsibility for Preparation of Financial Statements

The responsibility for preparation of the annual financial statements lies with the F-500 HEALTH GROUP Board of Directors and Management.

- x. F-500 HEALTH GROUP Management will prepare the books of accounts in accordance with IFRS
- xi. Management is responsible for implementation of accounting, administrative and financial procedures documented in the F-500 HEALTH GROUP policy manuals
- xii. F-500 HEALTH GROUP financial year end runs from 1st March 28th February
- xiii. Rotation of auditors will be done at least after 3 years at the discretion of the F-500 HEALTH GROUP management and Board of Directors. NB: F-500 HEALTH GROUP reserves the right to terminate the engagement should it deem necessary before the lapse of the 3 years

D. Qualification of the Audit Firm

The Audit firm MUST meet the following qualifications to be considered.

- xiv. Demonstrate that the firm holds the requisite knowledge, skills and competencies required to perform its responsibilities with due professional care
- xv. The firm must have been in operation continuously for the last at least five (5) years – three (3) years of which were carrying out auditing and taxation duties in Kenya.
- xvi. The firm must have prior experience in Auditing Healthcare industry.
- xvii. The firm must be registered in Kenya and adhere to all legal requirements to operate in Kenya and must be registered by the relevant regulating accounting/Auditing body registered in Kenya.

E. The following documents are mandatory requirements for all proposal submissions.

- A copy of Certificate of Registration/Incorporation
- Valid Tax Compliance Certificate
- Audited Accounts for the last 3 years
- Company Profile and detailed CVs of the firm's Partners
- ICPAK Certificate of Good standing

F. How to apply

Please submit proposals expressing your interest accompanied by items listed in E. above on or before 20th December 2019 by email to info@f500.co.ke

or by postal mail to:

The Chair, F-500 Health Group Board.

P.O Box 5819-30100

Eldoret.



F-500 HEALTH GROUP IS AN EQUAL OPPORTUNITY EMPLOYER.