

Terms of Reference for Provision of External Audit Services

1. About Relief International (RI)

Relief International specializes in humanitarian and development programs that benefit people in severe distress. As a registered nonprofit in the US, UK, Belgium, and now France, our work targets fragile settings that suffer from recurrent manmade or natural crises that impede human development. In 60 years of doing this work, we've learned that there's only one constant in fragile settings: they don't follow a pattern.

Today, we'll work to deliver life-saving aid to millions of people living on the edge of survival. Tomorrow, when the crisis subsides, we'll work alongside community members to restore job opportunities, build critical infrastructure, and develop education programs. And the day after that ... we'll be ready for the next chapter. In fragile settings, every day brings new opportunities and fresh challenges.

RI works in the following sectors; Education; Economic Opportunity; Water, Sanitation and Hygiene; and Health and Nutrition.

RI Kenya/Somalia office is seeking to procure external audit services in order to obtain independent and objective assurance as to whether the financial statements of RI Kenya/Somalia present fairly, in all material respects, the financial position of RI in accordance with the International Standard on Auditing (ISA) promulgated by the IFAC and the Code of Ethics for Professional Accountants.

2. Scope of Assignment

2.1 Annual Activities:

- i. Perform statutory audits as required by Kenyan law and in accordance with the International Standard on Auditing (ISA).
- ii. Plan and organize the audit on the basis of risk assessment to provide satisfactory assurance that the financial statements are free of misstatement due to fraud and errors.
- iii. Ascertain that multi donor funds received by the organization have been applied for the intended purpose and have been accounted for in accordance with funding agreement.
- iv. Verify that funds received by RI, have been acknowledged and reflected in the financial reports/statements submitted to the users/donors.

- v. Review and report on effectiveness of the organizations internal control systems in accordance with the International Auditing standards.
- vi. Review and report on the effectiveness of the finance system, human resource management, procurement system as well as the funding structure.
- vii. Check on compliance of legal and regulatory requirements to various government bodies.
- viii. Review the filing of returns with the Kenya Revenue Authority for the years 2016, 2017, 2018 and 2019 by RI Kenya and advice if these have been done in compliance with the KRA requirement for the said period

2.2 Location of Operation:

- The Kenya office is based in Nairobi and provides operational support to the Somalia office.
- Somalia office operates in the following locations - Garowe, Galkayo and Mogadishu. With Mogadishu being the head office.

2.3 Number of Staff

- Somalia country office has an average of 30 employees for the year
- Kenya office has 10 employees for the year.

2.4 Projected Spending.

The projected annual spending:

- Kenya – \$650,000
- Somalia - \$2,000,000

2.6 Source of Funding

- Kenya – HQ funding and other sources within the countries
- Somalia – EU, DEVCO, Somalia Humanitarian Fund (SHF) and UN

3. Requirements

3.1 Eligibility criteria

Firms seeking to apply should be registered in Kenya and must have been in operation at least for the last 10 years providing both audit and tax services. Additionally, the firm must demonstrate experience in the audit of not for profit entities and organizations with similar registration to RI.

The following information should be provided:

- i. Certificate of incorporation/registration

- ii. PIN Certificate
- iii. VAT Certificate
- iv. Tax compliance certificate
- v. Certificate of good standing from the Institute of Certified Public Accountants Kenya.
- vi. List of at least three clients with registration similar to RI's

3.2 Capability

- Provide a brief about the firm. This must include a profile on past work done for clients with not-for-profit status operating in Kenya.
- Provide a profile of the audit services team likely to be involved in the audit process.

3.3 Methodology

The firm should state the methodology/approach of conducting the audits. Upon selection, the firm will be expected to provide a letter of engagement which will also highlight the basis of the auditor's work.

3.4 Proposed Fees

The firm should provide a quote for the provision of audit services as highlighted above. This should include projected fees for the subsequent two years.

4.1 Instructions for submission

All proposals should be submitted by 1 p.m. Kenyan time, Friday September 30, 2021 through the email address ops.kenya@ri.org