

Association of International Schools in Africa
(AISA)

Terms of Reference

for the

External Auditors

2022



Background

The Association of International Schools in Africa (AISA) is a "Not for Profit" 501(c)3 association incorporated in the US State of Delaware with the objectives and purposes being exclusively educational and scientific as stipulated in the articles as follows;

- The Association supports member schools' efforts to enhance student learning by promoting effective educational practice.
- The Association Fosters intercultural and international understanding
- The Association Promotes an appreciation and understanding of Africa
- The Association Supports professional learning within member schools
- The Association Collects, analyses, and distributes information to help guide member Schools
- The Association Enables close collaboration and networking among its members
- The Association Develops and maintains partnerships with organizations and institutions which complement the Association's values and mission
- The Association engages in all other activities appropriate to the achievement of its educational and charitable objectives.

To accomplish the above objectives in Africa, the Association has registered a Branch Office in Kenya to facilitate its programme implementation in Africa. The purposes of the Branch are to enhance the creation of a collaborative learning community of accredited, internationally-minded schools in Africa, to provide targeted services and relevant resources to member schools, to facilitate innovative professional learning programmes, and to connect staff in AISA schools located across Africa.

Association Objectives

The strategic objectives of AISA specify that all AISA programmes, services, resources and networks exist to:

- Support professional growth
- Improve the quality of school governance, strategic thinking, school effectiveness, and leadership
- Strengthen child protection and wellbeing
- Support diversity, equity, inclusion and justice in AISA member schools

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 AISA 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 and Governance letter: The Auditors should submit a Governance and Management letter after the completion of the audit in which auditors will:

Management Letter;

- 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 project 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 Association
- v. Examine, assess and report on compliance with the terms and conditions of the agreement between funding partners and AISA and applicable laws and regulations within accounting and taxes;
- vi. The auditor shall report on AISA's legal and tax compliance in both US and Kenya.
- vii. Any matters that come to the auditor's attention during the audit that might have a significant impact on the Association

The Governance letter

- viii. Communicate to the AISA Board the scope of audit procedures performed, significant findings, and other information, such as disagreements with management, audit adjustments and significant estimates, that are not included in the audited financial statements
- ix. Highlight significant deficiencies in internal controls that are important to merit the attention of the AISA Board.
- x. Any important leadership and governance issue that would require the intervention of the AISA Board of Governance.

4. The audit reports:

- i. Shall contain details of the method and scope of the audit and assurance that the audit was performed in accordance with International Standards of Auditing and by a qualified auditor
- ii. Shall contain the audited annual Financial Statement and Accompanying notes
- iii. Shall be signed by the auditor responsible, stating the title and Audit opinion.
- iv. Shall be written in English
- v. Shall be issued in soft copy for circulation to the AISA Board of Directors for AISA for approval and signing. Three bound copies will be produced and delivered to AISA for filing.

Responsibility for the Preparation of Financial Statements

The responsibility for the preparation of the annual financial statements lies with the AISA Board of Directors and Management.

- i. AISA Management will prepare the books of accounts in accordance with IFRS. AISA financial year runs from 1 July to 30 June
- ii. Management is responsible for the implementation of accounting, administrative and financial controls and procedures as documented in the AISA policy manuals
- iii. Rotation of auditors will be done at least after 4 years at the discretion of the AISA management and Board of Directors. NB: AISA reserves the right to terminate the engagement should it deemed necessary before the end of the term period.

Qualification of the Audit Firm

The Audit firm **MUST** meet the following qualifications to be considered;

- i. Demonstrate that the firm holds the requisite knowledge, skills and competencies required to perform its responsibilities with due professional care
- ii. The firm must have been in operation continuously for the last ten years - eight years of which were carrying out auditing and taxation duties in Kenya
- iii. The firm must have at least five years of experience in Auditing Not for Profit organizations.
- iv. Conversant with the Not- For- Profit Accounting and Financial Reporting standards in the USA.
- v. The firm must be registered in Kenya and adhere to all legal requirements to operate in Kenya
- vi. Demonstrate utility of applicable auditing systems and software
- vii. The firm must be registered by the relevant regulating accounting/Auditing body registered in Kenya

The following documents are required for the proposal submission:

- i. A copy of the Certificate of Registration/Incorporation
- ii. Valid Tax Compliance Certificate
- iii. Audited Accounts for the last three years
- iv. Company Profile or detailed CVs of the firm's Partners
- v. ICPAK Certificate of Good standing
- vi. Holds professional liability insurance cover

Selection Criteria

AISA will do the adjudication after the proposal submission deadline. In addition to the above requirements, the selection criteria will include the following:

- i. Experience of your firm in relation to the scope of audits for non-profit organizations, preferably the 501 (C)(3) entities
- ii. A list of similar non-profit organizations served by your firm. The firm will be required to provide at least two recommendation letters from past audited Not for Profit clients
- iii. Your staff assignments and availability to complete the audit on a timely basis
- iv. Participation of senior audit personnel assigned to the engagement
- v. Depth of Technical Resources (CV of the assigned team leader)
- vi. Availability of staff to respond to questions within the scope of the engagement and the hourly charge, if any, for services outside the scope of the audit
- vii. Audit firm staff stability history - what assurances can you provide regarding the assignment of your permanent personnel to the engagement?
- viii. The proposed fee for the engagement includes a schedule for additional services that may be necessary beyond the scope of the audit engagement. The proposal should indicate anticipated fees for the second, third, and fourth years
- ix. Detailed audit plan, including your approach to risk and fraud detection
- x. Estimated number of hours to complete the audit by classification of your employees, i.e. partners, senior, junior
- xi. Detail of expenses expected to be incurred, i.e. mileage, per diem, telephone, etc.
- xii. Time Requirements.

AISA Reserves the Right to reject any proposals submitted.

Only shortlisted audit firms will be contacted. Please note that this RFQ contains full Terms of Reference; hence no further tender documents are available.

Proposal Submission

The deadline for submissions is 30th December 2022

Interested firms should apply by completing the [AISA External Auditor Application form](#).

Enquiries

Email: finance@aisa.or.ke