

## **TERMS OF REFERENCE (TOR) FOR THE PROVISION OF INTERNAL AUDIT SERVICES FOR FINANCIAL YEAR 2025**

**Position:** Consultant.

**Advert Date:** 12<sup>th</sup> August 2025

**Application Deadline:** 8<sup>th</sup> September 2025

**Tentative starting date:** 30<sup>th</sup> September 2025

### **1. INTRODUCTION**

The RELI Africa network is a peer learning initiative and policy influencing network comprising over 70 organizations in East Africa. The network brings together a diverse, energetic, and impactful group of members from across East Africa working to ensure inclusive learning for all children in East Africa by leveraging local knowledge and expertise to influence education policy and practice. RELI members are among the best, committed local education organizations in the region, working tirelessly for the most vulnerable children.

### **2. BACKGROUND**

RELI Africa maintains accurate accounting records in compliance with the International Financial Reporting Standards (IFRS) and The Non-Governmental Organizations Co-ordination Act. The Board of Directors ensure that the financial statements provide an accurate and fair representation of the organization's financial position. To achieve this, the organization has established internal controls aimed at reducing the risk of material misstatements due to fraud or error. Additionally, RELI Africa's management is actively involved in evaluating the organization's ability to continue operating and disclosing any relevant concerns.

In this context, internal audit plays a critical role in strengthening the organization's financial governance, risk management, and the internal control environment. The internal audit function is expected to provide an independent and objective assurance on the adequacy and effectiveness of internal controls, enhance efficiency as well as offer recommendations for improvement. The engagement of an internal auditor is therefore essential to support RELI Africa's commitment to accountability, operational efficiency, and sound financial management.

### **3. SCOPE OF WORK OF THE INTERNAL AUDITOR OR AUDIT FIRM**

RELI Africa hereby invites proposals for the provision of periodic internal audit services for the financial year 2025. The selected auditor or audit firm should pay particular attention to the following areas:

- a. Compliance with applicable legislation/regulations – verify that the transactions comply in all material respects with any applicable legislation;
- b. Grant expenditures - funds received by the organization were spent in conformity with the approved budget and work-plans existing at the time of the expenditure and in line with provisions of the grant agreements, including any applicable grant conditions and only for the purposes for which

- the funds were provided;
- c. System of internal controls - assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditure at all levels of the organization and other financial transactions including special attention to the adequacy and effectiveness of controls around cash transactions;
  - d. Follow up on the status of findings of previous audit reports – The auditor should follow up on management’s intended actions to address the findings of previous audits, including any external assessments previously commissioned by donors
  - e. Designated bank accounts – check that these have been maintained and operated in accordance with the provisions of grant agreements and in accordance with the organizational rules and procedures;
  - f. Safeguarding of assets - verify that RELI Africa has put in place mechanisms for the tracking and safeguarding of assets purchased with grant funds and that they are being used for the intended purposes. Verify that the fixed assets as well as the fixed assets register exist and is properly maintained;
  - g. Disbursements to and from partners and sub grantees - verify that disbursements made by or received by RELI Africa are in line with the partner/subgrantee MoU and agreements and the approved work plan and budget. Verify that RELI Africa has adequate and strong mechanism for validating/reporting expenditure submitted by/ to the partners and subgrantees;
  - h. Data retention and supporting documentation - necessary supporting documents, records, and accounts have been retained in compliance with provisions of the grant agreements and RELI Africa finance policy. Procedures exist for security and management of electronic data;
  - i. Goods and services - have been procured transparently, competitively and in accordance with the grant agreement and relevant procurement guidelines outlined in the RELI Africa procurement policy;
  - j. Value for money – review grants expenditures with due attention to economy, competitiveness and efficiency
  - k. Financial statements, (a) Income and Expenditure statement (IES) showing funds received, any other income received and all grant expenditures. Grant expenditures should be reported against the approved budget lines as defined in the grant agreement for the period. (b). A statement of financial position (c) Supplemental statements on assets, including: fixed listing of all assets and cash balances at the end of the reporting period
  - l. Provide clear, time-bound and verifiable recommendations to RELI Africa, to address any observed deficiencies and areas of weakness in systems and controls;
  - m. Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the organizational activities;
  - n. Include responses made by the RELI Africa management in discussing internal audit recommendations, along with a timeline for implementing agreed recommendations.

#### **4. REQUIRED PROFILE OF THE AUDIT FIRM**

The bidding auditor or audit firm must meet the following criteria:

- a. Registration with the Institute of Certified Public Accountants of Kenya (ICPAK), and the partners must hold a current Practicing Certificate.
- b. Partners of the audit firm should have a good standing record with ICPAK.
- c. The firm should have been in operation for a minimum of four years, and those that have undergone a Quality Assurance Review by ICPAK will have an advantage.
- d. Demonstrated capacity, capability, and experience to undertake the audit within the required timelines.

## **5. TENDER SUBMISSION**

The auditor or audit firm that meet the above criteria are requested to submit their proposals as follows:

- a. Confirmation of the firm's understanding of the Terms of Reference (TOR), along with its capacity and capability to deliver on the TOR.
- b. Methodology, work plan, timelines for undertaking and completing the assignment, and the expected deliverables.
- c. Appropriate references to demonstrate the experience specified in the TOR.
- d. CVs of key staff proposed to carry out the assignment.
- e. Financial proposal indicating the proposed fees and expenses.

The bidding auditor or audit firm should also include the following documents with their proposals:

- a. Proof of registration with ICPAK and Partners' Practicing Certificates.
- b. Confirmation of having undergone a Quality Assurance Review by ICPAK, if available.
- c. Confirmation that the firm, partners, and key staff are not aware of any conflicts of interest with respect to the Organization.

Proposals should be submitted by to **careers@reliafrica.org** by **8<sup>th</sup> September 2025**