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TERMS OF REFERENCE (TOR) FOR PROVISION OF EXTERNAL AUDIT SERVICES

General Information

Job Title:	External Auditing Services
Category:	Finance and Administration
Type of contract:	Special Service Contract
Expected starting date:	Immediately

1.0. BACKGROUND

The Non-Communicable Disease Alliance Kenya is a not-for-profit organization that brings together synergistic relationships of multi-sectoral stakeholders to facilitate active promotional and advocacy activities for prevention and control of non-communicable diseases (NCDs) and the provision of quality NCD care services. NCD Alliance Kenya responds to the global call of action for the prevention and control of NCDs including cardiovascular diseases, diabetes mellitus, cancers and chronic lung diseases, sickle cell, epilepsy, mental health. These diseases are propagated by common risk factors such as unhealthy diets, physical inactivity, tobacco use, harmful use of alcohol and exposure to environmental toxins.

NCD Alliance Kenya seeks to contribute to the reduction of the preventable burden of morbidity, mortality, and disability due to NCDs in Kenya by acting as a coordinating and strengthening body for comprehensive and synergistic national action on NCDs. NCDs account for 55% of hospital admissions, 50% of hospital deaths and 33% of total deaths. The organization also seeks to meaningfully involve of people living with NCDs in the NCD advocacy response in Kenya.

2.0. PURPOSE AND OBJECTIVE

To undertake an independent financial audit that facilitates a professional opinion on the financial position of NCD Alliance Kenya and to ensure that the funds received are effectively utilised to meet the organisation and programs objectives. The books of accounts provide the basis for preparation of the Financial Statements as required by law and also maintain adequate internal controls and supporting documentation for the transactions.

GENERAL SCOPE OF THE WORK

The selected auditor firm will work with secretariate to review the books of account and develop independent professional opinion for project and organizational requirements. This assignment will entail the following tasks:

- 1) Perform statutory audits as required by Kenyan law and in accordance with the International Standard on Auditing (ISA).

- 2) 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.
- 3) 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.
- 4) Verify that funds received by NCDAK, have been acknowledged and reflected in the financial reports/statements submitted to the users/donors.
- 5) Review and report on effectiveness of the organizations internal control systems in accordance with the International Accounting standards.
- 6) Review and report on the effectiveness of the finance system, human resource management, procurement system as well as the funding structure.
- 7) Check on compliance of legal and regulatory requirements to various government bodies.
- 8) Express an opinion as to reasonableness of the financial statements in all material respects.
- 9) In addition to the audit report, the auditors will prepare a Management Letter on the following:
 - Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - Report on the implementation status of recommendations pertaining to previous period audit reports.
 - Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - Bring to the Executive Director's attention any other matters that the auditors consider pertinent

3.0. AUDIT PERIOD

NCD Alliance Kenya runs its financial period from January to December. The preparation and actual audit exercise shall be completed within two months of the subsequent year. In line with NCD Alliance Kenya financial policy and internal best practices, the audit firm shall be engaged for a period of three years unless a resolution is made by the members through an annual general meeting.

4.0. DELIVERABLES

The Auditor shall submit.

- 4 copies of the audited financial statements to NCDAK through the office of the Executive Director, expressing their opinion on the Financial statements.
- A Management letter in accordance with the scope of work described here before.

5.0. AUDIT FEES

The audit fees will be fixed through a competitive bidding process

6.0. QUALIFICATIONS OF THE CONSULTANT/S

Firms seeking to apply should be registered in Kenya in good standing with the Institute of Certified Public Accountants Kenya and must have been in operation for at least 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 NCD Alliance Kenya. The following information should be provided:

- Certificate of incorporation/registration
- PIN Certificate
- VAT Certificate
- Tax compliance certificate
- Certificate of good standing from the Institute of Certified Public Accountants Kenya.
- List of at least five clients with similar registration to NCD Alliance Kenya

7.0. EXPRESSION OF INTEREST:

- 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.
- Methodology The firm should state the methodology 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.
- 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.

8.0. PROPOSAL SUBMISSION

Interested and qualified consultants are invited to submit a technical and financial proposal that includes the following:

- a) A technical proposal alongside the financial bid outlining their understanding of the assignment, methodology and approaches for the assignment as well as financial bid in Kenya.
- b) Curriculum Vitae of the consultant/s detailing the reference list indicating the scope and magnitude of similar assignments, qualifications, registration, and other relevant statutory documents.
- c) The application will be submitted to careers@ncdak.org not later than **14th October 2022** at **5.00pm**