**Terms of Reference for the IRC Kenya program External audit for the financial year ending September 2024, September 2025 & September 2026 and Specific Donor related audits on need basis.**

**Job Title**: External audit for the financial year ending September 2024, September 2025, and September 2026 and Specific Donor projects on need basis.

**Approximated Budget:** KES 2,800,000,000 Per Year for financial institutional audit

**Location:** Nairobi

**Audit Duration: 3 to 4** Weeks for institutional audit

1. **Introduction**

Since 1933, the International Rescue Committee (IRC) has been helping people whose lives and livelihoods are shattered by conflict and disaster, including the climate crisis, to survive, recover, and gain control of their future. Since 1992, the International Rescue Committee (IRC) in Kenya has run programs helping vulnerable refugee and host communities lead safe, productive, and healthy lives. The IRC worked closely with national and county governments, community organizations, and NGOs to provide services to more than 500,000 beneficiaries in 2023.

1. **Purpose**
2. Currently, IRC-Kenya works in Kakuma, Dadaab, Turkana County, and Nairobi supporting refugees and host communities. After the institutional audit and part of the Kenya NGO legal requirement, IRC Kenya is required to file the audited financial statements with the NGO Coordination Board as well as file Annual Returns with the Kenya Revenue Authority and this will be the responsibility of the audit firm selected. The selected audit firm will undertake an independent audit of the Kenya program for FY24, FY25, and FY26 (October to September fiscal year).
3. Perform Donor related project on need basis for the three entities-i.e. IHUB-Nairobi office, IRC Kenya Program office and IRC Somalia office.
4. **Scope of Financial & Compliance Audit**

The audit will be carried out per international standards of auditing and GAAP. It will include such tests and controls as the auditor considers necessary including any visits to Field offices. Representative sampling may be used as the auditor considers necessary.

The audit shall be designed to accomplish the following objectives:

* The auditors shall express an independent professional opinion as to whether the financial statements present fairly, in all material respects, the financial position of IRC in accordance with the International Financial Reporting Standards as well as GAAP.
* The audit will cover the accounts and financial statements (comprising the Statement of Financial Position, Income & Expenditure Statement, Statement of Changes in fund, the Cash Flow Statement, and the relevant notes and disclosures) for IHUB-Nairobi office, IRC Kenya Program office and IRC Somalia office.
* The audit shall be carried out per the International Standards on Auditing (ISAs).
* Goods, works, and services financed have been procured per the IRC’s and its donor-established rules and regulations.
* Evaluate compliance with all relevant laws and regulations.
* Appropriate supporting documents, records, and books of accounts relating to all activities have been kept and clear linkages exist between the books of accounts and the financial statements.
* Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system in procurement and human resources.
* Include in the report opinion compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
* Conduct entry and exit meetings.
* **Specific Donor Audits**: The auditor may also be engaged to perform specific donor audits for designated projects as required. These audits will be conducted following donor-specific guidelines and requirements.

1. **Expected Outputs**

Upon completion of the audit, the Auditor shall provide.

Professional opinion on the final financial statements.

Audited Financial Statements. This should be both in Kenya Shillings and US Dollars to meet donor requirements.

Management Letter including:

* Give comments and observations on records, processes, systems, and controls that were examined during the audit.
* Identify specific deficiencies and areas of weakness in the system and control and make recommendations for improvement.
* Status of implementation of recommendations from previous 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.
* Any other pertinent matters.

Filing of Annual Returns with the Kenya Revenue Authority and NGO Coordination Board.

1. **Duration of the Audit**

The audit work should be completed within 3-4 weeks from the commencement date for institutional audit and for specific Donor related audits as per Donor guidelines.

1. **Qualification of the Audit Firm**

Interested and qualified audit firms should submit a technical and financial proposal to IRC Procurement Committee via email (Procurement.Nairobi@rescue.org), as per the RFP clause 7 including the following documents:

* Certificate of Business registration/Incorporation in Kenya
* Practicing License from the Institute of Certified Public Accountants of Kenya (ICPAK) for 2024
* Profile of the company (not more than 5 pages)
* Valid Tax Compliance Certificates
* Cover letter explaining interest to be a contracted service provider.
* Intent to Bid form, completed and signed (This form should be submitted to IRC by 31st July 2024 through the email address given in **Annex 3** of RFP
* Provide practicing license for partners and managers that will form part of the audit team.
* Provide up-to-date CVs of all partners and managers that will form part of the audit team.

Details should be provided of the key partners and managers in these fields who can be regarded as specialists. The CVs should indicate at a minimum the level (supervisor, manager) and experience

* Evidence of being in the list of United States Government (USG) approved auditors
* Provided organogram to show organization structure/departments and provided the information technology system used
* Three (3) References- (NGO sector) from current or past clients (at least 2 in the last two years)-Attached Contract or Purchase order supported by Certificate of completion.
* Work Plan for the audit assignment for institutional audit as per the TOR
* IRC Vendor Information Form, completed, signed and stamped- **Annex 4** of RFP
* A Bid detailing the unit price **only in the sheet given for the purpose**; **(Annex 2 of RFP)**
* Audited financial statements (Last 2 years) 2022 and 2023
* Bank Statements for the last six months

The audit firm must be based in Kenya and demonstrate extensive experience in auditing International Non-Governmental Organizations.

*IRC Reserves the Right to reject all proposals submitted.*