

Our Ref: **A005/PK/20**

Date: **20th/07/2020**

External Auditor Job.

Background

PEMA Kenya is a human-rights Community Based Organization that works to champion the inclusion of gender and sexual minorities (GSMs) by providing space for advocacy, networking, and capacity building for GSMs, as well as providing society in general with needed tools and information. We do this through: reviewing policies and participating in advocacy campaigns, health promotion, security response, legal redress and economic and social empowerment.

PEMA Kenya invites tenders from reputable consulting firms for the provision of external audit services for the financial years between 2020 to 2022.

- The Need, Objectives and Scope of The Audit
- The required service of external audit will be rendered at PEMA Kenya's offices as situated in Nyali.

The objective is to audit the financial report for the period 1st June to 31st May of each financial year and to express an audit opinion according to ISA 800/805 on whether the financial report represent a true and fair view.

Terms of Reference

- The audit assignments shall be carried out in accordance with International Standards of Auditing (ISA) issued by the International Audit and Assurance Standards Board and adopted by International Federation of Accountants (IFAC).
- Plan and organize the audit on the basis of risk assessment to provide satisfactory assurance that the financial statements are free of material misstatement due to fraud and errors.



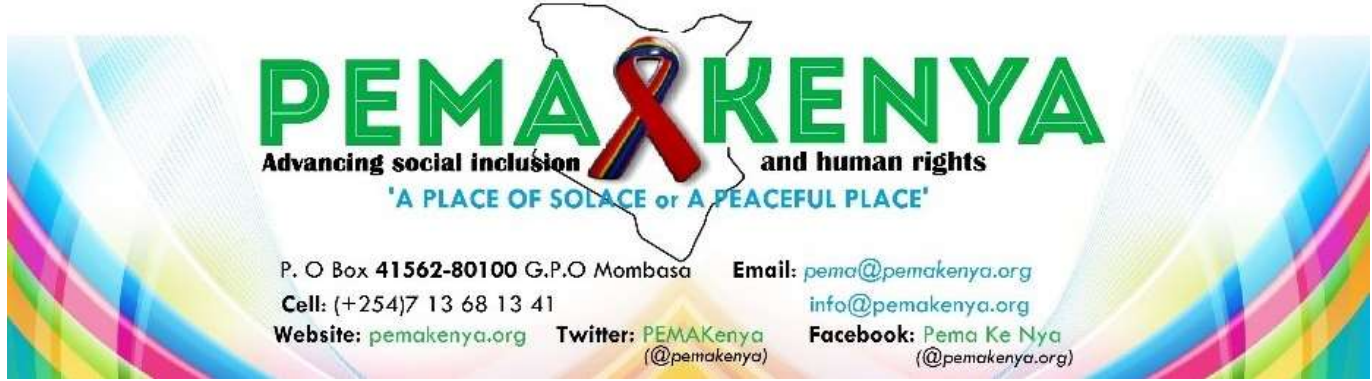
- Ascertain that funds received by the organization have been applied for the intended purpose and have been accounted for in accordance with funding agreement.
- Verify that funds received, have been acknowledged and reflected in the financial reports/statements submitted to the users/donors.
- Verify and report on whether or not funds have been re-granted by the organization. In case of re-grant follow up to ascertain that funds have been reported and audited to assure that these have been applied for the intended purpose.

Reporting

- The reporting shall contain an assurance that the audit was performed in accordance with applicable International Auditing Standards and by a qualified auditor.
- The reporting shall contain the responsible auditor's signature (not just the audit firm) and title.
- The reporting shall contain details regarding used audit methodology and the scope of the audit.
- The auditor shall submit a statement of how each of the audit requirements detailed in the Terms of Reference was achieved during the audit process.
- The auditor shall submit an audit memorandum/management letter, which shall contain the audit findings made during the audit process. It shall state the measures that have been adequate to deal with reported shortcomings.
- The auditor shall make recommendations to address any weakness identified. The recommendations should be presented in priority.

The Auditor will produce the following reports

- Audited financial report with an opinion
- Management letter report with responses



Mandatory Requirements

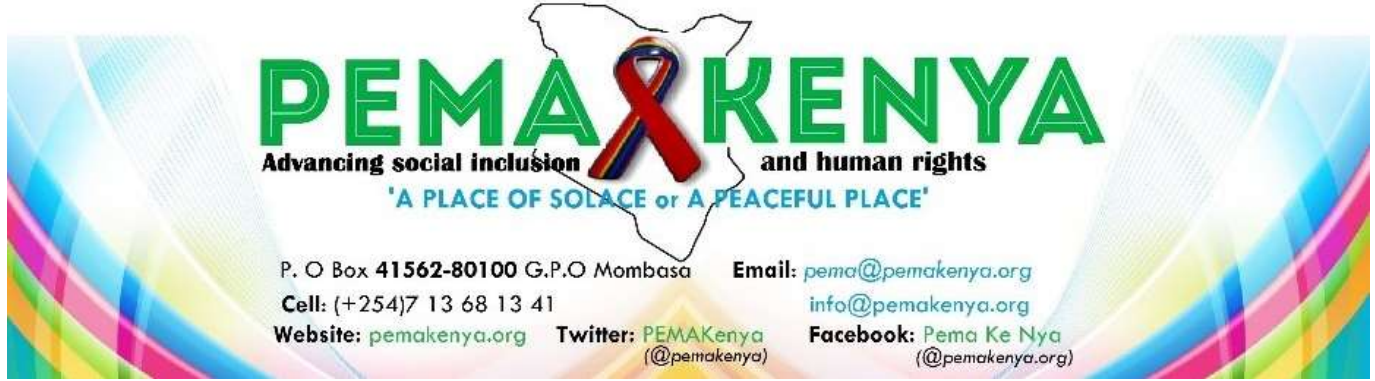
- Eligible firms should not have conducted audit relating to PEMA KENYA for the last 5 years.
- The Partner(s) of the audit firm should be practicing member(s) of Institute of certified Public Accountants of Kenya (ICPAK), in good standing.
- The firm should give a written undertaking that it has been in operation for at 5 five years continuously backwards from 2019.
- The partners of the firm should have professional indemnity. A copy of the current certificate should be attached.
- The firm should have a valid practicing certificate.
- Any possible conflict of interest should be clearly indicated in details for guidance in decision making.

The Capability of the Audit Firm

- The audit firm should provide a brief capability statement justifying it's suitability for the assignment. Global network or international affiliation advantages if any should be disclosed.
- The audit firm should state its understanding of the terms of Reference, operations and the services of the organization.
- The audit firm should provide a profile of the proposed team, covering the partner, Audit Manager and support staff.
- The audit firm should a profile of three (3) major clients with operations comparable to those being required under the terms of reference.
- The firm state its experience in providing audit services to clients with operations in Kenya.
- The audit firm should provide their most current audited financial accounts for the last two years.

Audit Methodology

- The firm should state the methodology that will be applied to carry out the audit assignments including the estimated audit completion time.



Financial Proposal

- The audit firm should state the charging rates proposed for these Terms of reference. Note that the award will not solely be determined on grounds of cost indicated.

Scope of Tenure

The proposed engagement covers the areas specified in the terms of reference and will be for five years with annual appraisal of performance with the prospect of renewal pegged to satisfactory performance.

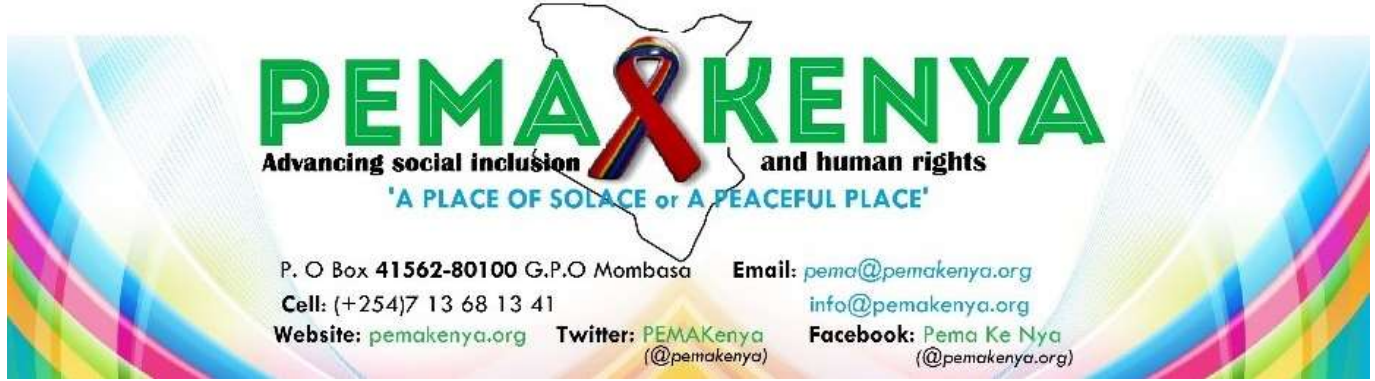
Audit Deliverables

The qualified auditor shall issue an audit certificate/report in respect of reviewing the implementation of the agreement. The purpose of the audit certificate is to verify and recommend approval of the financial report. The audit certificate shall contain the following:

- an opinion according to ISA 805 whether the submitted financial report is in accordance with the accounting records
- a reference to the reports that the audit certificate refers to (copies of which is to be included in deliverables)
- a statement that the audit has been performed in accordance with International Standards on Auditing (ISA) and in accordance with these special instructions
- a statement whether the report has been drawn up in accordance with the agreement
- a statement on whether the auditor proposes that the report be approved or not

The qualified auditor shall issue a management letter/audit memorandum. The purpose of the management letter/audit memorandum is to review the internal control. The management letter/audit memorandum shall contain the following:

- the content and scope of the audit
- significant observations on the activity covered by the report



- Measures taken as a result of previous audits and whether the measures have been adequate to deal with the reported shortcomings.

Requirements for the audited organization

- The organization shall produce a management response including an action plan to be submitted to the PEMA KENYA.

How to Apply

PEMA Kenya believes in non-discrimination and therefore provides equal opportunity regardless of one's ethnicity, faith, sexuality, gender identities, skin color, ability and disabilities.

Application to be send to email address pema@pemakenya.org copied to board@pemakenya.org or to the address below by **10th August, 2020**.

THE BOARD OF DIRECTOR

PEMA KENYA

P.O Box 41562-80100

MOMBASA, Kenya