



NATIONAL EMPOWERMENT NETWORK OF PEOPLE LIVING WITH HIV/AIDS IN KENYA

TERMS OF REFERENCE

FOR AN INDEPENDENT EXTERNAL AUDIT OF NEPHAK FINANCIAL
STATEMENTS AND SYSTEMS

10TH AUGUST, 2019



BACKGROUND

The National Empowerment Network of People living with HIV/AIDS in Kenya (NEPHAK) is a National Network that unites people living with, at risk of and those affected with HIV and related co-infections and comorbidities through community based organizations such as posttest clubs, support groups, men's associations, careers' associations, women groups, youth groups and non-governmental organizations including PLHIV networks. The vision of NEPHAK is 'Healthy Communities'

GOAL/PURPOSE

NEPHAK works in partnership with relevant government departments and structures at the national and county levels as well as with civil society organizations to improve health and wellbeing of communities in Kenya. The network is registered as an NGO and operates in compliance with the rules and regulations of the NGOs Co-ordination Board.

NEPHAK is inviting reputable and suitable Auditor, Audit teams and/or audit firms to submit a proposal for conducting an independent external statutory audit of its financial statements for the financial year starting January 01, 2019 to December 31, 2019.

OBJECTIVES:

The objective of the assignment is to conduct external statutory financial audit of NEPHAK.

Specifically, the assignment is aimed:

1. To ascertain the true and fair view of the organizations financial position;
2. To ascertain that NEPHAK's internal controls, processes, guidelines and policies are adequate, effective and in compliance with governmental requirements, industry standards and organization policies.

PROCESS/TASKS/SCOPE OF SERVICES

- Examine the accounting records as a basis for the preparation of the financial statements
- Review the NEPHAK's system of internal controls to ensure its adequacy in safeguarding the organisation resources.
- Determine whether reliance can be placed on the system of internal controls in ensuring the accuracy and completeness of accounting records
- Assess the accounting principles applied in preparation of financial statements to determine whether they are in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations
- Examine the overall financial statement presentation and express an opinion thereon
- Audit and express an opinion on whether the financial statements of the organisation as a whole present fairly, in all material respects, the financial position of NEPHAK for the year ended 31st December 2019 and the results of its operations for the year then ended
- Generate improvement ideas on noted areas of weaknesses
- Advice on areas of inadequacy in NEPHAK financial policies and suggest improvement.



- Establish interactions with the internal audit function
- Participation and reporting to NEPHAK’s Board of Directors.

A key note is that the final audited statements are required to be submitted to the NGO’s Coordination Board by 30th March of each year.

KEY Deliverables:

1. An inception meeting report detailing the work plan after an entry meeting to be held where the Audit process will be discussed.
2. Final Audited Annual Financial Statement and accompanying Management Letter for year 2019 detailing all the recommendations that will help improve on the financial management of the organization
3. Report on deliberations on discussion of the Management Letter discussed at the exit meeting.

SUPERVISION AND QUALITY ASSURANCE

The Auditor shall report directly to NEPHAK Board of Governors. The Auditor shall work closely with NEPHAK Executive Director, Finance and Administration Officer, Finance and Accountability and Audit and Risk Committees of the NEPHAK Board.

PERIOD OF THE ASSIGNMENT

This will be negotiated with the NEPHAK board and management during the entry meeting. The Auditor should state his preferred number of days though. If contracted, Auditor may be eligible to Audit NEPHAK for two consecutive years depending on the performance and contract renewal.

ASSURANCE OF CONFIDENTIALITY

All deliberations relating to this assignment, including all information collected from various meetings/documents shall be kept confidential and shall not be divulged to any third party either verbally or in writing or in any other form.

APPLICANT SKILLS AND QUALIFICATIONS

The lead auditor should have at least 5 years’ experience in the field of auditing and relevant academic qualification working in a registered audit firm. The audit firm must be registered as required by law to carry out financial audits in Kenya and must be recognized member of the ICPAK.

LOGISTICS AND PROCEDURES

NEPHAK will be responsible for any logistics and procedures related to this assignment such as office space, printing and other communication costs. NEPHAK will also provide all the necessary support including contacts to facilitate the successful completion of the exercise (e.g. organizational policies,



records etc.) and process of scheduling/convening any relevant meetings with staff or stakeholders.

Submission requirements

The applicants will need to submit with their expression of interest for this assignment and attach the following documents

- *Capability statement and CV*
- *Technical and Financial proposal*
- *Costed work plan or activity schedule*
- *Past performance references (including email and phone contact)*

CONTACTS FOR SUBMISSION AND DUE DATE

*Interested candidates can send their applications in soft copies to info@nephak.or.ke by or before **the 6th September 2019.***