

## **TERMS OF REFERENCE**

### **INTERNAL AUDIT FUNCTION**

#### **1. Introduction**

Msingi East Africa Limited (“Msingi”) wishes to appoint an internal audit practitioner (hereafter referred to as the (“Provider”) to provide assurance to the Finance, Audit and Risk Committee regarding internal controls, risk management and governance processes of Msingi (the “Services”).

The Services will be provided in line with the responsibilities of Msingi’s Finance Audit and Risk Committee (the “FARC”) over an initial period of one year – during which time four fieldwork audits will be carried out and reported upon on a quarterly basis. However, this may be extended by mutual consent of both parties.

#### **2. Background**

Msingi is an East African industry development organization aiming to support the growth of competitive, resilient and inclusive industries in East Africa. It is a regional organization jointly funded by Gatsby Africa and The UK Department for International Development (DfID). Its main mandate is to transform industries in East Africa by providing support to pioneer firms and the wider industry to address key constraints in the enabling environment. The support provided to pioneer firms includes technology upgrading, skills and capability building and arranging finance. It aims to make a significant contribution to the structural transformation of East Africa’s economies driving the creation of jobs and creating prosperity in the form of additional income in East Africa

The FARC has been mandated by MSINGI’s Board of Directors to oversee, *inter alia*, the internal audit function of MSINGI. As such the Provider will be appointed by the FARC and will report to the committee according to an agreed schedule.

#### **3. Objectives and Scope**

The Provider will carry out four internal audits of MSINGI’s systems and processes during a 12-month period to identify any material deficiencies. The audits will take place quarterly and the schedule of reporting will be agreed with the Chair of the FARC.

The scope of work will include, but not be limited to the following:

- Assessing Msingi’s controls, risk management and governance processes and making recommendations to the FARC for the improvement of the same.
- Assist the Board, its committees and management to discharge their governance responsibilities, protect the assets, reputation and sustainability of the organisation, and establish and maintain robust governance and risk management processes and a sound internal control environment.
- Ensuring that Msingi’s finance manual is up to date and compliant with current international financial reporting standards;
- Assessing the Msingi’s operational performance in line with value For Money (“VFM”) proposition;

- Checking Msingi's compliance status with its own manuals, statutory requirements, policies and procedures.

The service shall also extend to programmes managed by Msingi to ensure that all partners, consultants and grantees adhere to conditions and expectations of service contracts and grant agreements.

### **Outcomes and deliverables**

A key deliverable expected of the Provider, is an internal audit report presented to the FARC, on the scope as noted above.

### **4. Independence and Objectivity**

To preserve the independence of internal audit function ("IAF") from any business unit or function and to establish the standing of IAF, the provider reports functionally to the FARC and administratively to the Chief Executive Officer (CEO).

The provider is responsible for the compilation, oversight and recommendation for approval of the internal audit capacity plans, budgets and annual audit plans.

The provider will communicate and interact directly with FARC, with sessions between committee meetings as appropriate, including meetings with the chairman and/or committee members.

The provider is required to:

- Have no direct operational responsibility or authority over any of the activities audited. Accordingly, the consultant shall not engage in any activity that may impair his /her judgment.
- Maintain the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being audited.
- Have an informed view, make a balanced assessment and form judgements which are not unduly influenced by stakeholders or own interests

### **5. Authority**

With strict accountability for confidentiality and safeguarding records and information, the provider is authorised to have unlimited and timely access to any and all of Msingi's boards, committees, functions, records, property and employees necessary to discharge its responsibilities. The provider may obtain the necessary assistance of employees within the Msingi and specialised services from within or outside the organisation.

**6. Invitation to Tender**

Msingi is inviting tenders from suitably qualified individuals to carry out the audit.

Your proposal should indicate:

- Your Name and Cv including qualifications and relevant experience in providing the kind of services required.
- A description of how you intend to fulfil the Services (your audit plan) and your proposed timelines; and confirmation of your ability to meet those proposed timelines
- An estimated budget for both professional fees and reimbursable expenses.

The deadline for submission of proposals is by 1200 EAT on **Friday 5 April 2019**. Proposals should be submitted in soft copy to [nyawera@cedarconsulting.co.ke](mailto:nyawera@cedarconsulting.co.ke).

**7. Basis of award**

The FARC, supported by the finance manager, will review proposals to ensure independence and objectivity of an internal audit function. Msingi will award a contract to the most economically advantageous tender based on the following criteria:

Mandatory requirements
Individuals must be able to demonstrate value for money
Individuals must be able to demonstrate excellent knowledge of all aspects of an internal audit function.

Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of individual in this area	40%
Understanding/interpretation of the task set out in the TORs	35%
Fee basis and total costs	25%
<b>Total</b>	<b>100%</b>

**8. Timing**

The Provider is expected to commence providing the Internal Audit Service from **1 May 2019**.



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## 9. **Contact**

Questions or comments in respect of these terms of reference should be directed to Msingi at [amos.mwaniki@msingi.com](mailto:amos.mwaniki@msingi.com)

Any bidder wishing to seek clarification should do so within 5 days of receipt of these Terms of Reference.