



28th June 2019

TERMS OF REFERENCE FOR PROVISION OF EXTERNAL AUDIT SERVICES

1.1 Background Information

Mhasibu Sacco Society Ltd was registered on 16 April 1986. It is a medium sized Sacco with over 19,000 members. The mission of the Sacco is to encourage and mobilise savings from members and thus economically empower the members by availing low cost funds to augment their financial needs.

The Sacco wishes to appoint independent auditors to provide external audit services for the period 2019. The main responsibility of the external auditors is to perform statutory audits of the Sacco in accordance with International Standards of auditing, the Co-operative Act 2004 and the Sacco Act 2008.

1.2 Requirements for the External Audit Services

- i. Proof that the firm is approved by the Co-operative Department of Ministry of Industrialisation and Enterprise Development.
- ii. The firm should be approved by ICPAK.
- iii. The firm must have at least two partners.
- iv. The partners should be in good standing with ICPAK.
- v. The firm should have been in practice for a period of not less than 5 years.
- vi. The partners must be full time practitioners.
- vii. The firm must have a physical address and valid practising licences.
- viii. The firm must have five years' experience in audit of Sacco(s) with at least 12,000 members.
- ix. The firm must demonstrate sufficient quality control measures.
- x. The firm must have at least three Sacco referees who must be its clients.
- xi. A detailed company profile showing the list of clients.
- xii. Partners and key staff curriculum vitae.
- xiii. The firm must be able to provide tax consultancy services and ICT audit.

1.3 Mandatory Proposal Requirements

- i. The technical proposal should indicate the methodology and workplan for the assignment
- ii. The financial proposal should have as separate items the audit fees, taxes and other estimated charges to be incurred

1.4 Expected deliverables for the audit

i. Audit Report

The auditor will issue an independent auditor's report for the Sacco's financial statements for the year 2019 which shall capture the audit opinion as to whether there is fair presentation of the financial statements in all material aspects.

ii. Management letter

The management letter indicating observations made from the audit engagement and recommendations as a result of the observations.

iii. Registered financial statements

Registered and approved financial statements by the ministry of trade, industry and cooperatives together with a report on observations made.

Interested audit firms that meet the above requirements should submit separate Technical and Financial proposals sealed in separate envelopes and addressed to:

The Chairman, Mhasibu Sacco Society Ltd

P.O Box 31295 00600, Nairobi

Head Office: Barclays Plaza, 8th Floor, Market street

To reach him not later than 5 pm, 12th July 2019. The detailed Terms of Reference can be accessed through the Society website <https://www.mhasibusacco.com>.

The Sacco reserves the right to reject any proposal without giving reasons and does not bind itself to accept the lowest or any proposal.