TERMS OF REFERENCE

FINANCIAL & COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDING JUNE 30th, 2020 FOR FILMAID KENYA

About FilmAid

FilmAid is a development and humanitarian communications organization that harnesses the power and influence of film and media to combat critical social issues by creating multimedia content designed to inform, inspire and empower. FilmAid uses a strategic and integrated approach to distribution including broadcasts, mobile cinema, workshops, community based screenings and digital media, and works with communities to catalyze and drive social change.

FilmAid designs and implements communications initiatives on critical health, rights and environmental issues. FilmAid’s Theory-Of-Change is based on the integration of access, creativity and participation, which drive individual and community change, contributing to positive social impact. Underpinning this approach is collaboration: working together is fundamental to achieving change. FilmAid partners with communities, creators, NGOs, Governments, and the private sector to ensure a collaborative approach.

Communication is a critical component of international development and humanitarian operations. From post-crisis situations in refugee camps to urban development programs, FilmAid produces and distributes media content on critical social issues such as maternal health, HIV, cholera, psychological health, early marriage, gender-based violence, human trafficking, conflict resolution, and more.

FilmAid’s work falls into the three integrated components of Media Content, Community Outreach and Skills Development that combine to support program delivery. FilmAid produces multiple forms of creative media, which is subsequently distributed through a variety of outreach channels, ensuring that target communities are reached. This outreach includes targeted screening events and workshops, radio, SMS, as well as digital media. In addition, FilmAid builds skills within the community to deliver the media and outreach components. This participatory approach drives individual change while ensuring community engagement.

Description of records to be audited

Currently FilmAid works in Kakuma (with refugees from Sudan, Somalia and the Great Lakes Region as well as the local Turkana population), Dadaab (with predominantly refugees from Somalia and the local Somali community) and also conducts short-term projects in Nairobi and Mombasa. FilmAid projects include health, women and girls’ empowerment, education and youth, media and arts.
Subsequent to the audit and part of the Kenya NGO legal requirement, FilmAid Kenya is required to file the audited financial statements with the NGO Coordination Board as well as file Annual Returns with Kenya Revenue Authority and this will be the responsibility of the audit firm selected.

**Scope of Financial & Compliance Audit**

I. The audit will cover the accounts and financial statements (comprising the Statement of Financial Position, Income & Expenditure Statement, Statement of Changes in Equity, the Cash Flow Statement and the relevant notes and disclosures) for FilmAid Kenya;

II. The audit shall cover the period 1st July 2019 to 30th June 2020;

III. Review donor-specific Fund Accountability Statements (FAS) and review that funds received and expenditure incurred have been applied in accordance with applicable regulations, laid down financial regulations, prescribed procurement procedures, donor regulations or such other proper orders to the extent that these impact the annual financial statements;

IV. Ensure that proper bookkeeping has been maintained that:
   - Complies with the necessary legal regulations, including the generally accepted accounting principles (GAAPs) and others applicable to classification, accounting and valuation;
   - Information provided leads to an orderly presentation in the accounting records and the annual financial statements, in line with applicable professional standards;
   - The annual financial statements were properly derived and are in agreement with the books of account.

V. Provide an analysis of Net Asset Position, Financial Position and expenditure per program and funding source;

VI. Express an opinion on the fair and truthfulness of the financial position, cash position and net current assets, including any key audit matters.

VII. Evaluate compliance with all relevant laws and regulations.

**Other Reviews**

**Single Audit**

The Auditor is responsible for conducting the audit of the Subrecipient in accordance with Generally Accepted Government Auditing Standards (GAGAS) and using the guidance provided by the “Guidelines,” all of which establish certain rules to follow during the Single Audit.

As opposed to a Program-Specific audit, the Subrecipient and the Auditor have significantly greater responsibilities with a Single Audit. The focus and scope are now extended to include the entire Subrecipient organization and the Subrecipient must now prepare organization-wide financial statements and the Schedule of Expenditures of DOS Awards for the auditor.
to examine. The financial statements, and the Schedule of Expenditures of DOS Awards, must cover the same periods, and the Schedule must include a list of DOS programs, whether received by direct award or pass-through sub award.

As part of the Single Audit, the Auditor must prepare and submit at least three individual reports to the Subrecipient and to Internews:

1. **Independent Auditors’ Report** – A report and opinion (or a disclaimer of opinion) on whether the Subrecipient’s financial statements are presented in conformity with US Generally Accepted Accounting Principles. In addition, if the audit produced specific audit findings, the auditor must prepare a “Schedule of Findings and Questioned Costs, including details of the findings relating to the financial statements, and any specific findings and questioned costs relating to DOS awards.

2. **Report on Internal Control Over Financial Reporting** - A report indicating whether the auditor considered the Subrecipient’s internal control over financial reporting as a basis for designing the auditing procedures, and whether the auditor identified any deficiencies, significant deficiencies, or material weaknesses in internal control.

3. **Report on Compliance** – A report and opinion, or a disclaimer thereof, on the degree to which the Subrecipient has complied with laws, regulations, and the terms and conditions of the DOS funded program(s).

**Timetable**
The Auditor should aim to complete this work within the timeframe set out below. FilmAid will provide all the necessary assistance to achieve this. If issues arise which require an extension to these key dates, these will be discussed with the Auditor and agree on a revised timetable.

<table>
<thead>
<tr>
<th>Work schedule</th>
<th>Planned date</th>
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<tbody>
<tr>
<td>Agreement of terms of reference</td>
<td>25th June 2020</td>
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<tr>
<td>Start of fieldwork-Nairobi office</td>
<td>1st August 2020</td>
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<tr>
<td>Issue of draft report</td>
<td>20th August 2020</td>
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<tr>
<td>Comments on any audit findings by management</td>
<td>25th August 2020</td>
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<tr>
<td>Issue of final signed report</td>
<td>5th September 2020</td>
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**Expected Outputs**

On completion of audit, the Auditor shall provide;

1. Professional opinion on the final financial statements;

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

3. Management Letter

The management letter should also include the following;

- Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvements;
- The categorization of audit findings by risk severity;
- Implementation status from findings arising from previous audits.

4. File Annual Returns with Kenya Revenue Authority;
5. Fixed Assets Depreciation Schedule;

**All these outputs MUST also meet the requirements of the Single Audit requirements under Generally Accepted Government Auditing Standards (GAGAS).**

Interested and qualified audit firms should submit a technical and financial proposal for this audit to The Country Director, FilmAid Kenya via email (procurement@filmaid.org) by **5:00pm on 2nd June 2020**. Please attach the following documents;

1. ICPAK Year 2020 Firm Practising License and Engagement Partner’s Year 2020 Practising License;
2. KRA Tax Compliance Certificate;
3. Certificate of Registration/ Incorporation/ Business Name;
4. Five References for Not-for-Profit assignments in the last 3 – 5 years. Include phone and email contacts;
5. CVs of Engagement Partner plus two other personnel to be involved in the audit;
7. Evidence of being in the list of United States Government (USG) approved auditors