



AFRICAN ECONOMIC RESEARCH CONSORTIUM (AERC)

REQUEST FOR PROPOSAL FOR OUTSOURCED INTERNAL AUDIT SERVICES

TERMS OF REFERENCE

1.0 BACKGROUND

The African Economic Research Consortium (AERC) established in 1988 is a premier capacity building institution devoted to the advancement of research and training to inform economic policies in sub-Saharan Africa. The mission of AERC is to strengthen postgraduate training in economics and local capacity for conducting independent rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa. As part of strengthening its governance and internal controls, systems, and processes, AERC is seeking the services of an Internal Auditor to carry out the internal audit services of the Consortium for a three-year period starting July 2023. If awarded, the contract will be renewable annually based on satisfactory performance.

2.0 TERMS OF REFERENCE

2.1 Overall purpose/objectives of the function

The Internal Audit function will assist the AERC to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of management systems and processes of AERC. The scope for Internal Audit work includes the entire AERC control environment comprising risk management, internal control, governance and any other as may be specified in the internal audit work plan approved by the Board. The Internal Auditor reports administratively to the Executive Director and functionally to the Audit and Risk Committee of the AERC Board. The Audit and Risk Committee of the Board meets three times in a year, March, July, and November.

2.2 Main Duties and Responsibilities

- Apply a risk-based approach to the review of the systems and controls of the AERC through the development of an annual plan of audit review work. The plan will be agreed with Management and approved by the Audit and Risk Committee.
- Implement the approved audit plan in on a quarterly basis.
- Submit audit reports to the Chair of the Audit and Risk Committee two weeks prior to the Audit and Risk Committee meeting.

- Develop an appropriate internal audit strategy and its annual review so as to meet the objectives of effective delivery of internal audit services.
- Review and update the internal audit charter and Audit and Risk Committee Charter.
- Review reliability and integrity of manual and automated systems in financial, Programme operations & policies, internal controls around them and suggest improvements for efficiency and effectiveness.
- Review systems established to ensure compliance with policies, plans, procedures, statutory requirements and regulations which could have a significant impact on operations.
- Appraise the application of organization's resources and use of assets.
- Evaluate the effectiveness of risk management framework and process and contribute to the improvement of risk management activities.
- Assess and make appropriate recommendations for improving governance processes within the organization.
- Constructively discuss the findings of audit reviews with management to develop the most appropriate, practical and economical solutions to issues arising.
- Report the results of audit reviews, including management responses and proposed action plans to address issues arising, to the Executive Director and the Audit and Risk Committee.
- Monitor and assess management's progress on past audit findings and report related follow-up to the Audit and Risk Committee.
- Conduct investigative audit and ad hoc consulting engagements as required by Management and the Audit and Risk Committee.
- Prepare and deliver on quarterly basis high quality and timely reports to Management and the audit and Risk Committee.
- Avail Final internal audit reports as and when required by the External Auditors.
- Document work in such a manner consistent with International Standards for Professional Practice of Internal Auditing.
- Adhere to Professional Code of Conduct for Internal Auditor.
- Attend Audit and Risk Committee meetings as and when invited.

❖ **Knowledge, Experience and Qualifications**

- The Lead Consultant must be a holder of a degree in one of these areas: Accounting, Finance, Business Administration, Economics, Law, or a related discipline. A Master's degree would be an added advantage. She/he must also hold an active membership of:
 - a. The Institute of Internal Auditors (IIA) with relevant professional certification in internal audit.
 - b. The ICPAK/ACCA in good standing.

In addition, she/he must meet the following requirements:



- a) Minimum of seven years of experience in leading internal audit activities for a similar organization.
- b) Sufficient recent experience in the practice of internal auditing at a management level.

- At least 1 member involved in the internal audit must be a Certified Internal Auditor.
- Experience in auditing of automated systems
- Knowledge of leading internal auditing practices.

❖ **Key skills and Competencies**

- Demonstrable track record, knowledge and experience working with various Boards/Audit & Risk Committees of Boards.
- Have excellent communication and report writing skills.
- Excellent project delivery/management skills.
- Experience in reviewing/training on/ implementing risk management frameworks.
- Experience in external assessments of internal audit functions will be an added advantage.

3.0 DOCUMENTS FOR SUBMISSION

- Detailed Company profile
- Statutory documents including Certificate of Registration, Tax Compliance Certificate, etc.
- Technical and Financial Proposals

4.0 APPLICATION PROCEDURE

Applicants should submit their proposals as per the RFP requirements, via email in clearly indexed separate Word/PDF files, for ease of reference. The email subject should read: **“Proposal for AERC Internal Audit Services”**.

To be considered, your application must be received by **May 16, 2023** at the following address:

Executive Director
African Economic Research Consortium
PO Box 62882-00200, Nairobi
Email: procurement@aercafrica.org

For more information on AERC, you can visit our website on www.aercafrica.org.