

## REQUEST FOR PROPOSAL FOR INTERNAL AUDIT SERVICES

REF NO: HFHK/INT/AUD/001/06/2026

### 1. Background and Context

Habitat for Humanity Kenya (HFHK) is a non-profit organization committed to ensuring that everyone has access to safe, decent, and affordable housing. Beyond housing, HFHK promotes Water, Sanitation and Hygiene (WASH), advances climate-resilient construction, influences housing policy, and mobilizes partnerships for sustainable development.

Over the past 40 years, HFHK has supported more than 500,000 families across eight counties; Nairobi, Laikipia, Homabay, Kajiado, Kisumu, Tana River, Kakamega, and Machakos through housing microfinance and direct construction initiatives.

Habitat for Humanity Kenya considers housing as a long-term, incremental process that builds on cross-sectoral interventions such as construction, water, sanitation, energy, land tenure, and policy change at different levels of governance, actors, and regions.

In line with its commitment to strong governance, accountability, and effective risk management, HFHK is issuing this Request for Proposal (RFP) to engage a qualified and independent firm to provide internal audit services. The selected firm will be required to conduct quarterly internal audits in accordance with agreed audit plans and relevant professional standards. The internal audit function will assess the adequacy and effectiveness of internal controls, risk management, and governance processes.

The scope of the internal audit will include, but not be limited to, key functional areas such as Human Resources, Governance, Information and Communication Technology (ICT), Finance and Procurement, Programs, Partnerships, and Grants management.

The findings and recommendations from each quarterly audit will be documented in comprehensive reports to be shared with management and formally presented to the Board of Directors. These reports are expected to provide practical insights and recommendations aimed at strengthening HFHK's operational efficiency, financial integrity, and overall organizational performance.

### 2. Audit Objective

The overall objective of the internal audit function is to provide independent, objective assurance and advisory services designed to add value and improve the operations of Habitat for Humanity Kenya (HFHK). The internal audit will support the organization in achieving its strategic objectives by systematically evaluating and enhancing the effectiveness of risk management, internal controls, and governance processes.

Specifically, the objectives of the internal audit services are to:

- Assess the adequacy, effectiveness, and efficiency of internal control systems across key functional areas, including Human Resources, Governance, ICT, Finance and Procurement, Programs, Partnerships, and Grants management.
- Evaluate the organization's compliance with applicable laws, regulations, donor requirements, internal policies, and procedures.
- Review the effectiveness of risk management processes in identifying, analyzing, and mitigating key organizational risks.
- Examine the reliability, accuracy, and integrity of financial and operational information used for decision-making and reporting.
- Assess whether resources are being utilized efficiently, economically, and in alignment with organizational objectives.
- Identify gaps, weaknesses, and areas for improvement, and provide practical and actionable recommendations.
- Strengthen accountability, transparency, and overall governance within the organization.
- Provide periodic assurance to management and the Board of Directors through quarterly audit reports on the state of internal controls and organizational performance.

### **3. Scope of Work**

The firm selected will provide quarterly internal audit services guided by a risk-based audit plan. The audits will evaluate the effectiveness of internal controls, risk management, and governance processes across key functional areas, including HR, Governance, ICT, Finance and Procurement, Programs, Partnerships, and Grants.

The scope includes reviewing compliance with laws, donor requirements, and internal policies, assessing financial and operational efficiency, and testing the accuracy of reporting systems. The firm will issue detailed audit reports with findings and actionable recommendations, present them to management and the Board, and conduct follow-ups on the implementation of agreed actions. Additionally, the firm shall provide advisory support on best practices to strengthen organizational systems and performance.

### **4. Key Deliverables**

Key deliverables include:

- a) Quarterly Audit Work Plans
- b) Quarterly Internal Audit Reports outlining the audit scope, objectives, risk ratings, and practical recommendations
- c) Presentation to Management and Board
- d) Follow-Up and Status Reports

## 5. Obligations of the parties

### a) Obligations of the audit firm:

- To perform the mentioned Services and carry out its obligations with all due diligence, efficiency, and economy in accordance with the generally accepted professional techniques and practices while observing sound management practices.

### b) Obligations of HFHK

- To provide access to the necessary data and documents required for the assignment.
- To cooperate with the auditor by providing the necessary information and clarification

## 6. Eligibility Criteria/Proposal Submission Documents

The eligible Audit firm should meet/provide the following:

- Provide the Know your Client (KYC) required document e.g. company profile, registration documents, tax compliance certificate, valid Business/Trade license, PIN certificate, VAT certificate and other statutory documents.
- Valid Practicing Certificate issued by ICPAK.
- Membership in relevant and well-regarded professional bodies e.g. Chartered Accountant, ICPAACCA or equivalent
- Experience of the audit firm with audit reporting under International Financial Reporting standards (IFRS) and International Standards on Auditing (ISA).
- Experience in audit of donor funded organizations will be preferred. References for similar audits performed within the last three years (From 2023).
- Provide Audit Methodology, Proposed Work-plan for FY 27 audit, Curriculum Vitae for the partner, manager and key staff proposed for the audit team illustrating their qualifications and experiences.
- The audit firm and its staff must be independent of HFHK and confirm this independence in the engagement letter.
- Detailed Audit Fee to be charged, showing the breakdown and clearly indicating the applicable taxes like VAT with an audit plan specifying the audit timetable and estimated completion time. HFHK is a tax agent, hence 2% VAT and 5% Withholding tax for professional services will be applicable.
- Any actual or potential conflict of interest in taking up this role should be highlighted.

## 7. Proposed fees

Please state the chargeable audit fees inclusive of applicable taxes per year and broken down to quarters for providing the services as stated in the scope of work in **3** above.

- Provide strategic direction, branding guidelines, and approvals.
- Provide access to relevant project documents, evaluation reports
- Work alongside during the field documentation exercise.

## 8. Conditions

- a) **Confidentially:** The auditor will be permitted access to HFHK files and reports that relate to this RFP. Information pertaining HFHK obtained by the firm because of this work is confidential and must not be disclosed without written permission of HFHK.
- b) **Applicable laws:** The agreement resulting from this RFP will be governed by and will be interpreted in accordance with the laws of Kenya.

## 9. Evaluation Criteria

HFHK will use the following to evaluate every proposal submitted.

The responsive proposals will be subjected to three stages of evaluation, namely:

1. Stage 1: Preliminary/Mandatory Requirements Evaluation,
2. Stage 2: Technical Evaluation (Scored Technical),
3. Stage 3: Financial evaluation.

### Stage 1: Preliminary/Mandatory Requirements Evaluation

These are mandatory documents and **MUST** be attached to the technical proposal. The absence of any of these documents will lead to the firm being disqualified and will not be considered to proceed to the next stage of evaluation.

### Stage 2: Technical Evaluation Criteria

The technical evaluation will be out of 100 with a pass mark of 70 points. Any bidder scoring 70 points and above in the technical evaluation will be considered for financial evaluation stage. Any bidder scoring below 70 Points in the Technical Evaluation will be disqualified from further evaluation.

The technical % score will carry a weight **of 70%** in evaluation

### Stage 3: Financial Evaluation Stages

Financial proposal score will carry a weight of 30% in evaluation

The formula for determining the financial scores is the following:

$S_f = 100 \times F_m / F$ , in which  $S_f$  is the financial score,  $F_m$  is the lowest price and  $F$  the price of the proposal under consideration.

Evaluation Criteria:

A.	Forms & Statutory (Mandatory)	Yes/No
i	The Firms Profile	
ii	Tax Compliance Certificate	
iii	Provide copy of registration certificate.	
iv	Valid Practicing Certificate issued by ICPAK	
v	Membership in relevant and well-regarded professional bodies e.g Chartered Accountant, ICPAACCA or equivalent	
B.	Specific Experience	Max 60 Points
i	Provide evidence of previous assignment demonstrating substantial experience in auditing NGO projects such as BMZ, ADH etc. Provide at least three references of similar assignments from three different Clients. (10 Points for proof of reference for each similar assignment in the last two years)	
vii	<p>Category 1 – (Audit Partner) A Category 1 expert (audit partner) should be a partner or another person in a position similar to that of a partner and be a highly qualified expert with relevant professional qualifications who assumes or has assumed senior and managerial responsibilities in public audit practice. He/she should be a member of a national or international accounting or auditing body or institution. He/she must have at least 12 years of professional experience as a professional auditor or accountant in public audit practice. The audit partner will be the person who will be responsible for the specific contract and its performance as well as for the report that is issued on behalf of the firm. He/she has the appropriate authority from a professional, legal or regulatory body and is authorized to certify accounts by the laws of the country in which the audit firm is registered. (15 Points for a CV clearly demonstrating the aforementioned)</p> <p>Category 2 – (e.g. Audit Manager) Audit managers should be qualified experts with a relevant university degree or professional qualification. They should have at least 6 years of experience as a professional auditor or accountant in public audit practice including relevant managerial experience of leading audit teams. He/she should be a member of a national or international accounting or auditing body or</p>	

	institution. (15 Points for a CV clearly demonstrating the aforementioned)	
<b>C.</b>	<b>Adequacy of the proposed methodology and work plan in responding to the Terms of Reference</b>	<b>Max 40 Points</b>
i	Technical approach and methodology i. A summary of the audit ii. Objectives and expected results of the audit iii. Description of proposed activities and Expected deliverables (20 points for each topic handled adequately), 10 Points for a topic not handled satisfactorily)	
ii	Work Plan Detailed work plan covering the life of the contract period (5 points for submitting the work plan)	
iii	Coherence and feasibility of the work plan (5 points for submitting coherence and practicable work plan)	
iv	Describe in detail the proposed methodologies that the Auditor will adopt in the implementation of the Audit. Include any best practice or specific experience of the Auditor in adopting such methodologies. (10 points for submitting methodology that includes best practices or specific experiences) 5 Points for a topic not handled satisfactorily	
	Total Points	<b>100</b>

## 10. Submission Details

A complete technical and financial proposal, sealed in a plain envelope and clearly marked with the **Tender Reference Number** and Tender Description, should be deposited in the tender box located at the **Habitat for Humanity Kenya offices** on or **before 30 June 2026** at **4:00 PM**. The proposal should be addressed to:

**The National Director**  
Habitat for Humanity Kenya  
CVS Plaza, 3rd Floor, Lenana Road  
Nairobi, Kenya  
Tender Box Location: CVS Plaza, 3rd Floor Reception

**Habitat for Humanity Kenya** reserves the right to accept or reject any tender in part or in whole and does not bind itself to accept the lowest bidder. Only successful bidders will receive communication from HFHK office. **Any form of canvassing either directly or indirectly shall lead to disqualification of the tender.**