

KASIGAU RANCHING (DA) PLC

Terms of Reference – External Auditor

(Approved by the Board on 17th June, 2022)

Overview:

Kasigau Ranching (DA) PLC (“the Company”) is a community company registered in Kenya established for the purpose of improving and accelerating agricultural business for the benefit of its members.

The company has several business ventures as may be identified in the company profile where proper financial management and advice is required.

Objective of the Audit:

1. The objective of the audit of the company’s financial statements is to enable the auditors to express an independent professional opinion on the financial position of the company and to ensure that the funds utilized to company’s activities have been used for their intended purposes.
2. The books of accounts of Kasigau Ranch provide the basis for preparation of the company’s Financial Statements. Proper books of accounts as required by law have been maintained by Kasigau Ranch and also maintain adequate internal controls and supporting documentation for the transactions.

Scope of the Audit:

1. The audit will be carried out in accordance with the Kenyan and International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. Verify all funds have been used in accordance with the established rules and regulations of Kasigau Ranch and only for the purposes for which the funds were provided.
3. Goods, works and services financed have been procured in accordance with the company’s established rules and procedures.
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to.
5. The financial statements have been prepared by Kasigau Ranch management in accordance with applicable accounting standards and give a true and fair view of the financial position of Kasigau Ranch and of its receipts and expenditures for the period ended on that date.
6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
9. Conduct entry and exit meeting with the Directors of Kasigau Ranching (DA) PLC.
10. In addition to the audit report, the auditors will prepare a Management Letter on the following:

- Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
- Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- Report on the implementation status of recommendations pertaining to previous period audit reports.
- Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
- Bring to the Executive Director's attention any other matters that the auditors consider pertinent.

Audit Duration:

The audit work shall be completed within one month from the date of commencement of the audit.

Deliverables:

1. The Auditors on completion of the audit work will submit 3 (three) original copies of the Audit Report appended to the Financial Statements along with the reports to the attention of the Board Chairman.
2. Management letter in accordance with the scope of work described here before.

Qualification of the Audit Firm:

1. An independent audit firm or person based in Kenya.
2. The person is a qualified accountant and a member of the Institute of Certified Public Accountants of Kenya (I.C.P.A.K) and must have passed the final stage of the Accountants examination.
3. For a firm, the partners have to be qualified accountants and members of the Institute of Certified Public Accountants of Kenya (I.C.P.A.K) and must have passed the final stage of the Accountants examination.
4. A holder of a practising certificate as awarded by the Registration of Accountants Board.

Audit Fees:

The audit fees will be fixed through a competitive bidding process.

Kindly write to the Board Chairman,

The Chairman,
Kasigau Ranching (DA) PLC
P.O BOX 793 – 80300,
Voi.

Or, Email
The Chairman
director@kasigauranching.com

Subject: EXTERNAL AUDIT SERVICES

Not later than 22nd July, 2022