

Term of Reference (ToR)

External Audit to Good Neighbors Cambodia

Fiscal Year: January 01st to December 31st, 2020

I. Summary of Auditing

Fiscal Year	01st January to 31st December 2020.
Financial Statement	Statement of Financial position, Statement of Income and Expense, Statement of Cash flows, Statement of Functional Expense and comprehensive footnote disclosures in accordance with Financial Accounting Standards of Good Neighbors.
Auditing Type	Independent External Auditing
Auditing Purpose	To comply the requirement from Global Partnership Country To comply the local accounting and auditing law governing by ministry of Economic and Finance.
Primary Methodologies	<ul style="list-style-type: none"> ▪ Document review ▪ Review QBs portable file ▪ Key Informant question to finance and admin in charge staffs ▪ Note and reporting
Auditing Start and End Dates	15-Feb-2021- 15-Mar-2021
Deliverable	15-Mar-2021

II. Introduction

Good Neighbors Cambodia (GNC) is the field country office of Good Neighbors International working in 35 countries in the world. Good Neighbors Cambodia known as Foreign Non-Governmental Organization (FNGO) is implementing long term integrated projects, late least 10 years, focusing on sponsorship, education, health, water & sanitation, income generation, and advocacy in some provinces of Cambodia.

Having been operating its projects in Cambodia since 2002, GNC—who has signed MOUs with Ministry of Foreign Affair, Ministry of Health, Ministry of Education, Youth and Sport and Ministry of Rural Development—has run child and community developments through cooperation with local authorities.

Our mission in Cambodia, GNC has identified five geographic programming areas, most of whom are hardship.

- Phnom Penh (Urban area) with one CDP: Dangkor CDP in Dangkor district.
- Battambang (floating area) with two CDPs: Ek Phnom Phnom CDP in Ek Phnom district, and Thmar Koul in Thmar Koul district.
- Banteay Meanchey (border) with one CDP: Ou Chrov in Ou Chrov district.
- Kratie: with one CDP: Snoul in Snoul district
- Mondulkiri: with one CDP: Koah Nheak in Koah Nheak district.

The project aims to contribute to the overall project goal of “To improve condition of living of the vulnerable people, especially children through providing various programs such as education, health, hygiene/sanitation, income generation, solar energy and child protection in period of 5 years (2016 - 2020) in the target CDP.” To achieve this, CDP has 7 sector objectives:

1. Child Sponsorship Sector Objective:

To improve the living quality of RCs and families through the effective sponsorship service operation.

2. Education Sector Objective:

To ensure all children in target areas complete early childhood and basic education for life-long learning opportunities.

3. Health Sector Objective:

To enhance community people well-being, especially children in target area.

4. Water and Sanitation Sector Objective:

To improve the access to safe drinking water and the state of sanitation sustainably.

5. Income Generation Sector Objective:

To empower community for a sustainable improvement in their livelihood.

6. Community Partnership & Network Building Sector Objective:

To empower community development leadership groups to respond to community needs.

7. Advocacy Sector Objective:

Empowered community to advocate for child rights.

III. General Condition

Any discount applied will be taken in consideration. The financial proposal should incorporate, at least:

- Auditing daily fees;
- Included estimated fee for the audit VAT and travel cost, along with other costs
- Please note that the auditing team is responsible for arranging their own insurance, logistics, taxes and providing their own equipment.
- GNC will arrange a proper place in office to auditing.

IV. Scope of Auditing

- To review financial report of 2020
- To review annual budget which stated in Plan of Action (PoA)
- Check the compliance of internal policy

V. Key Requirements

- The following requirements are noted and agreed in the **engagement letter**
 - a. Fiscal Year is from Jan 1 to December 31.
 - b. Audit in accordance with ISA3
 - c. The financial statements include Statement of Financial position, Statement of Income and Expense, Statement of Cash flows, Statement of Functional Expense and comprehensive footnote disclosures in accordance with Financial Accounting Standards of Good Neighbors.
 - d. English version is mandatory.
 - e. The data between audit and QBs report should be matched. If there is Discrepancy which comes from the difference between local and GNI regulations, the evidence (official documents or auditor's letter) is attached or noted as footnote in the audit report.
- Qualification and Experiences
 - Be a member of Kampuchea Institute of Certified Public accountants and auditor (**PICPAA**) and licensed by the National Accounting Council (**NAC**)
 - Be in accordance with ISA (International Standards on Accounting)
 - Relevant auditing experience as a registered firm both local and international

- Previous experience in conducting similar works for international NGOs/Social work will be preferred.
- At least 5 years auditing experience in Cambodia
- A reference check will be done by GNC in order to check the qualification.

VI. Deliverable and Timeline

Audit Report: The audit report shall include information specified in respect of:

- The content and scope of the audit
- Which measures have been taken as a result of previous audit reports/management letters and whether measures taken have been adequate to deal with reported shortcomings.

Management Letter: Significant observations on the activities supported by the donor.

- State the scope of the examination and that the audit was performed with generally accepted accounting principles and include a statement of opinion as to whether the statements conform to generally accepted accounting principles.
- Reports of compliance examinations must include a statement that the audit was conducted in accordance with applicable standards. The audit report must state where the examination disclosed instances of significant non-compliance with laws and generally accepted accounting principles. Findings of non-compliance and ineligible expenditures must be presented in enough detail for management to be able to understand them.
- A management letter will be required. It should contain a statement of audit findings and recommendations affecting financial systems and statements, internal control, legality of actions, other instances of non-compliance with laws and generally accepted accounting principles, and any other material matters.

- **Timeline**

Activity	Method	Time
Kick-off meeting	Physical meeting Country Director and Person in charges.	14 Dec 2020
Interim Audit	External Auditor Client Assistant List.	20 Dec 2020
Field Audit	1. Banteay Mean Chey province office 2. Battambang province 3. Phnom Penh.	15-Feb-2021 18-Feb-2021 22-Feb-2021
First Draft of Report	Computerize	1-Mar-2021
Exit Meeting	Physical meeting Country Director and Person in charges.	8-Mar-2021
Final Draft of Report (English and Khmer)	Computerize with 05 copied in hard copy. Sign and stamp by GNC and Auditor	15-Mar-2021

VII. Focal Person

For any query during the auditing, please contact to below person:

GNC	Position	Contact
Ms. Douch Thavy	Acting Finance Coordinator	096 657 3189 Email: douch.thavy@gncambodia.org
Mr. Suon Mean	HR&AD Manager	089 728 788 Email: mean.suon@gncambodia.org
Mr. Jang Dongwon	Country Director	Email: jang.dongwon@gncambodia.org

VIII. Tentative Auditing Schedule

Project	Location	Time
KB + SP CDP	Banteay Mean Chey	15-Feb-2021
EP + TK CDP	Battambang	18-Feb-2021
HO + DK + SN + KN+MCH	Phnom Penh	22-Feb-2021

IX. Application information

All interested applicants are required to send their proposal (Annex 1 Audit Proposal Format) including team/individual resume to email: jobs@gncambodia.org. The company is expected in response to pay tax in comply to Cambodia law.

The deadline for application is 10th December 2020.

Candidates will be expected to comply with Good Neighbors Cambodia's child protection policy.

Good Neighbor Cambodia Head Office:

#71A, Street 608, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh, Cambodia

Tel: 023 880 557

E-mail: jobs@gncambodia.org

Website: www.gncambodia.org

Annex 1. Audit Proposal Format

1. Background/Company Profile
2. Audit Approach
3. Deliverable and Timeline
4. Service Team
5. Fees estimate (include tax)
6. Term of Payment