

Term of Reference (ToR)

External Audit to Good Solar Innovation Co., Ltd

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 Comprehensive Income, Statement of Change in Equity, Statement of Cash Flow footnote disclosures in accordance with Financial Accounting Standards of Good Solar Innovation Co.,Ltd
Auditing Type	Independent External Auditing
Auditing Purpose	To complete the fiscal year and analyze financial statement of 2020 To report fiscal year of 2020 financial statement toward donors and the public To receive independent opinion from the external views of financial statement for improvement
Primary Methodologies	<ul style="list-style-type: none"> ▪ Physical Stock Count ▪ Documents review ▪ Review QBs portable file ▪ Key Informant question to finance, admin in charge staffs and management team. ▪ Note and reporting
Auditing Start and End Dates	15-Feb-2021 to 15-Mar-2021
Deliverable	15-Mar-2021

II. Introduction

Good Solar Innovation Co.,Ltd (GSI) is a social enterprise located in Ou Taki commune, Thmar Koul district, Battambang Province. It operates with Good Neighbors Cambodia (GNC) that has been implementing many projects in Cambodia since 2002. Light is a commodity required for social security and advanced productivity as well as the education of children.

Good Solar Innovation seeks to support the poor empowered by themselves, eventually in order for them to be brought to the market system, serving the poor neglected by the governmental grid plan, with the popularization Solar Home System.

Our objectives:

- Sales and distribute solar products to the people who cannot access the electricity
- Sales and distribute WASH products to the people who cannot access the clean water
- Sales and distribute clothes products to students

Our activities:

- Improving access to sustainable solar clean energy for Cambodian households in rural and urban areas
- Providing water treatment/purification system including products and services for improving access to clean and safe water for Cambodian in rural and urban areas of Cambodia

GSI Products:

- **Solar Products:** Solar Home System (SHS), Solar Water Pump (SWP), Tied Grid System (TGS), Solar Street Light (SSL) and Solar Head Lantern (SHL)
- **Water Treatment/Purification System:** Water Purifier and Water Station

- **Clothes:** School Uniforms and School Backpacks

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.
- GSI will arrange a proper place in office to auditing.

IV. Scope of Auditing

- To review financial report of 2020
- To review tax compliance
- 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. Statement of Financial Position, Statement of Comprehensive Income, Statement of Change in Equity, Statement of Cash Flow footnote disclosures in accordance with Financial Accounting Standards of Good Solar Innovation Co.,Ltd
 - 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 GNGIF 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 company/Social Enterprise will be preferred.
 - At least 5 years auditing experience in Cambodia
 - A reference check will be done by GSI 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.

Appendix 01

- 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 with Director and Person in charges.	14 Dec 2020
Interim Audit/Desk review	External Auditor and client discuss about GSI business concept and operation which mainly focuses on accounting part.	21 Dec 2020
	Counting stock/inventory	4 th week of Dec, 2020
Field Audit	Meeting, Checking hard and soft documents with GSI team	2 nd week-Jan-2021
First Draft of Report	Computerize	1 st week-Feb-2021
Exit Meeting	Physical meeting with Director and Person in charges.	3 rd week-Feb-2021
Final Draft of Report (English and Khmer)	Computerize with 05 copied in hard copy. Sign and stamp by GSI and Auditor	4 th week-Feb-2021

VII. Focal Person

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

GSI	Position	Contact
Mr. Voeun Sinath	Admin & Finance Officer	089 990 211 Email: admin@goodsolarinnovation.com
Mr. Chhim Raymong	Project Manager	012 582 658 Email: sales@goodsolarinnovation.com
Mr. Kim Kyungho	Director	099 770 085 Email: goodsolar.md@gmail.com

VIII. Tentative Auditing Schedule

Company	Location	Time
Good Solar Innovation	Battambang Province	21-Dec-2020

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.

Good Solar Innovation Office:

National Road 05, Popeal Khea Village, Outaki Commune
Thmar Koul District, Battambang Province
Tel: 053 6666 933E-mail: jobs@gncambodia.org
Website: www.goodsolarinnovation.com

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