

Term of Reference (ToR)

External Audit to Khmer Cooperation for Community Development Organization

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 Donor To comply with the local accounting and auditing law governing the 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

Khmer Cooperation for Community Development (KCCD) is a Cambodia local NGO working for the improvement of the community through economic development programs including vocational training, consumer awareness training, and income generation program, all of which target the needs of local communities in Cambodia. KCCD was established and recognized by the Ministry of Interior on 14 October 2019.

Having been operating its projects, KCCD has signed MoUs with Good Neighbors Cambodia (GNC) for Funding support.

Our mission: We are an innovative NGO, working for the harmonious progress of the market economy, public economy and social economy in general, and wish to see the self-development of Cambodian people in creating occupations to improve domestic economy and having creative lives in their communities, which are the factors for the prosperity of the nation in the future

Our mission of KCCD in 2020, has identified some projects which mainly focus in Phnom Penh and will expand more in some parts of other provinces in the next following year.

The project aims to Contribute to promoting the democratic development of all sectors in line with the Rectangular Strategy of the Royal Government of Cambodia to reduce poverty; Provide the capacity building and vocational training courses for poor people living in the vulnerable communities; Support and create more jobs for the people and the youth in the communities; and Cooperate with the governmental institutions and stakeholders in the development.

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.
- KCCD will arrange a proper place in the office for 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 KCCD.
 - d. English version is mandatory.
- 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 KCCD 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 Executive Director/ BOD Representative and Person in charges.	14 Dec 2020
Interim Audit	External Auditor Client Assistant List.	20 Dec 2020
Field Audit	1. Phnom Penh.	22-Feb-2021
First Draft of Report	Computerize	1-Mar-201
Exit Meeting	Physical meeting Executive Director/ BOD Representative 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 KCCD and Auditor	15-Mar-2021

VII. Focal Person

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

KCCD	Position	Contact
Ms. Sam Raksmeay	Finance Officer	085 355 999 Email: raksmeay.sam@gncambodia.org
Mr. Chum Saray	Executive Director	012 989 081 Email: saray.chum@gncambodia.org
Mr. Kim Kyungho	BOD Representative	Email: kim.kyungho@gncambodia.org

VIII. Tentative Auditing Schedule

Project	Location	Time
KCCD, Head Office	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: info.kccd@gmail.com . 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.

Appendix 01

Khmer Cooperation for Community Development Organization Head Office:
#71A, Street 608, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh, Cambodia
Tel: 023 880 557/ 085 355 999
E-mail: info.kccd@gmail.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