

Term of Reference (ToR)
For
Annual Financial Reports Audit

I. Introduction

CDRI practices good governance and institutional learning that lead to effective operation and performance. The practices of transparency, accountability and practicality have been carried out including taxation, auditing, and banking system transaction. CDRI works to produce independent, objective, high quality policy-relevant development research, to maximize its accessibility to policy makers, influencers and stakeholders and to have it affect policy in five interrelated areas that are key for Cambodia's sustainable development:

- Centre for Policy Research in Agriculture and Rural Development (CPARD)
- Centre for Development Economic and Trade (CDET)
- Centre for Educational Research and Innovation (CERI)
- Centre for Natural Resource and Environment (CNRE)
- Centre for Governance and Inclusive Society (CGIS)

Core Values

Follow the procedures and practices set out in the staff manual and the financial manual; activities not covered by established guidelines require initiative and independent judgment.

Promote CDRI's core values: **MERIT**

- ✓ Create the professional conditions that nurture **merit**.
- ✓ Foster **excellence**, as a professional and personal habit.
- ✓ Practice a culture of **respect** and **responsibility**.
- ✓ Pledge to live and act with **independence** and **integrity**.
- ✓ Build deep **trust** and **teamwork**, capable of achieving the mission and vision of the Institute.

Cambodia Development Resource Institute (CDRI) hereinafter "Party A" wishes to engage the services of an audit firm hereinafter "Party B" for the purpose of annual financial reports auditing the whole organization and other specifics' donors as requirement from donor's agency. The audit shall be carried out in accordance with Cambodian International Standards Auditing. The audit shall be carried out by an external, independent and qualified auditor (Certified Public Accountant/Authorized Public Accountant).

II. Responsibilities of the parties to the engagement

Cambodia Development Resource Institute (CDRI) that is receiving the grants and commission works that have signed the agreements with Donors:

- Partner "Party A" is responsible for providing a financial report for the action financed according to the agreement. Partner should ensure that the financial report can be reconciled to the partner's accounting and bookkeeping system. The partner is responsible for providing sufficient and adequate information, both financial including approved budgets and non-financial, in support of the financial report, including financial Manual.
- The auditor "Party B" is responsible for carrying out the audit in accordance with Cambodian International Standards Auditing and the accounting policies describe in note 2.

The auditor, by agreeing these ToR, confirms that s/he meets at least one of the following conditions:

- The auditor "Party B" and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA).
- If the national accounting or auditing body or institute is not a member of IFAC the auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR

III. Objectives and scope of the audit

Audit the Financial report (annually) for period from January-December 2021 and express an audit opinion according to "Note 2" on whether the financial report of whole Cambodia Development Resource Institute's projects and other specific donors' requirement, submitted to the donors, is in accordance with Cambodia Development Resource Institute accounting records.

Examine, assess and report on compliance with all the terms and conditions of the agreement between the donors and Cambodia Development Resource Institute and applicable laws and regulations regarding accounting and taxes.

The auditor shall examine on a test basis that there is supporting documentation related to reported expenditure. The size of the test shall be based on the auditor's risk analysis. The auditor shall report the identified amount in case there is any missing supporting documentation.

If Cambodia Development Resource Institute channels funds to other organisations the auditor shall examine that these audit requirements have been followed in the next step and that there are satisfying routines/resources for acting on received audit reports from these organisations.

IV. Duration of Assignment

The contract will be for **5 years**, and the audit exercise for each year will be for a period of **2021 to 2025** if the audit firm's performance will be satisfied by CDRI. CDRI will observe and evaluate the audit firm annually and the criteria that CDRI focuses on 1. Provide the annual audit report to CDRI on time 2. Audit firm provides a good cooperation with CDRI team, particularly finance team 3. Support and provide the feedback to CDRI Senior Management Team for improving the internal financial control 4. Provide a good communication all stages such as period of pre-audit, audit field work and exit audit.

V. Location of Assignment

The assignment will be carried out at the Cambodia Development Resource Institute office, #56, Street 315, Tuol Kork, Phnom Penh, Cambodia; Tel: 023881701/881384

VI. Requirements

The audit firm should be an internationally qualified auditor (CPA, ACCA or its equivalent) with local recognize KICPPA and experience in donor accounting and financial management and should have a minimum of 10 years experiences in the field with experience in statutory and project auditing. The firm should have should have specific experience with European Union, World Bank, USAID accounts auditing and other international donors.

VII. Applications

Please send (via email) expression of interest, proposals (both technical and financial), and comprehensive curriculum vitae of the audit team members, to: Senior Finance Officer and Executive Director, Cambodia Development Resource Institute, #56, Street 315, Tuol Kork, Phnom Penh, Cambodia; Email: kaclika@cdri.org.kh or cdri@cdri.org.kh

Applications will be accepted up to **30 June 2021**.

VIII. The reporting

The reporting shall contain details regarding used audit methodology and the scope of the audit.

The reporting shall contain an assurance that the audit was performed in accordance with international standards and by a qualified auditor.

The reporting shall contain the responsible auditor's signature (not just the audit firm) and title.

The auditor shall submit an audit memorandum/management letter, which shall contain the audit findings made during the audit process. It shall state which measures that have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.

The auditor shall express his or her opinion and make recommendations to address any weaknesses identified. The recommendations should be presented in priority and action plan (if possible).

The reporting shall be presented to Cambodia Development Resource Institute in 5 copies and also in digital format, by **before end of March (week 4) every year**.