



# Term of Reference

CONDUCT A VERIFICATION ON SALARY AND SALARY DEDUCTION EXPENDITURE  
FOR NATIONAL PROJECT STAFF AND CONSULTANTS/SERVICE PROVIDERS

STRENGTHENING THE PEOPLE'S CREDIT FUNDS NETWORK (STEP)



## TABLE OF CONTENTS

1. SUMMARY OF ASSIGNMENT .....	2
2. CONTEXT .....	2
3. OBJECTIVES OF THE ASSIGNMENT .....	2
4. SCOPE OF WORK.....	3
5. DELIVERABLES .....	3
6. QUALIFICATIONS .....	3
7. REPORTING REQUIREMENTS.....	3

## LIST OF ABBREVIATIONS

CBV	:	Cooperative Bank of Vietnam (Co-opBank)
DID	:	Développement international Desjardins
GAC	:	Global Affairs Canada
EU	:	European Unions
PCF	:	People's Credit Fund
STEP	:	Strengthening the People's Credit Funds network
UN	:	United Nations

## 1. SUMMARY OF ASSIGNMENT

<b>Objective(s):</b>	Conduct a verification on salary and salary deduction expenditure for national project staff and consultants
<b>Start Date:</b>	15 April 2024
<b>End Date:</b>	29 April 2024
<b>Type of contract:</b>	Agreed-upon procedure engagement service contract
<b>Location(s):</b>	Ha Noi

## 2. CONTEXT

Développement International Desjardins (DID) is a non-government-organization which belongs to Desjardins Group in Canada. It was established with a mission to support the cooperative credit model in the world in general and in Vietnam in particular. It has implemented several projects in Vietnam since 1993 to assist the People's Credit Fund network in its establishment and development.

DID has operated in Vietnam since 2016 in collaboration with the Cooperative Bank of Vietnam to implement a project to support strengthening the People's Credit Fund network (STEP) in Vietnam. The STEP was funded mainly by the Global Affairs Canada (GAC).

The STEP Project uses the administrative procedural guides of DID for project management and using its own accounting system on Acomba accounting platform. The STEP Project Financial and Administrative Procedures Manual were prepared in 2017 and updated with reference to the UN-EU Guidelines for Financing of Local Costs in Development Co-operation with Vietnam (UN-EU Cost Norm for short), which was approved by UN Agencies in Vietnam, The EU Delegation to Vietnam and the Ministry of Planning and Investment of Vietnam in November 2017. Furthermore, having been operating in Vietnam, DID must comply with the applicable laws and regulations on taxation, labor employments, social security, and others covering national employees and consultants working for DID.

Since 2019, there have been several changes in the laws on taxation, compulsory social insurances and other under laws regulations applying to the human resources of STEP project including full time employees and part-time consultants, such as the regulations on minimum wages, mandatory social, health, unemployment insurance premium rates, and so on.

## 3. OBJECTIVES OF THE ASSIGNMENT

The objective of the assignment is to provide DID with a factual-finding report on:

1. Existence: The recorded salary transactions on the books are real, the documents are valid and exist.
2. Rights and obligations: Ensure that salaries and salary deductions that employees are entitled to reflect DID's obligations to employees; ensure the employer's and employees' contribution obligations in terms of compulsory social/health/unemployment/occupational accident insurance to the government are accurately allocated, remitted on deadline as required by the Government of Vietnam, without administrative penalty application.
3. Completeness: salary payments and salary deductions incurred in the period are fully recorded.
4. Valuation and allocation: The accounting and payment of salaries to employees is done in accordance with the pre-determined unit price, rank, contract, and contract rate. Salary costs and salary deductions to be paid to employees are properly classified according to different classification criteria and properly aggregated into detailed accounts.

5. Numerical accuracy: The calculation and payment of wages to employees and wage deductions are calculated accurately.
6. Presentation and interpretation: The accounting and payment of salaries and salary deductions are transparent and clear.

DID STEP project team therefore would like to select an experienced and capable audit firm to perform the following work with the lowest cost and guaranteed quality standards and complete the contract on or before the deadline. Auditing firms, when performing the assignment must comply with General Accepted Auditing Standards.

#### **4. SCOPE OF WORK**

The assignment shall cover the period from October 1, 2022 to December 31, 2023, i.e. audit of salary paid from 1/10/2022-31/12/2023 and the travel per diems. It also covers all national employees (less than 15) and 11 individual consultants/service providers who have been working for DID STEP over this period.

The audit firm shall:

- Conduct a check on HR procedures relating to employee payrolls management such as, but not limited to, receiving employees to approving wages, allowances; tracking labor contracts, service contracts, working timesheet, payroll and salary deductions; payment of salary and remittance of salary deductions; bank statements, etc.
- Validate the percentage and amount of personal income tax paid, insurance and trade union funding according to the current Vietnamese Law; Compare with the salary expenses of the previous years, if necessary;
- Check the details of salary, expense and payable accounts to expectative and relevancy of payroll obligations including travel per-diem;
- Review the staff employment contracts and give the Auditor's opinions on the laws and regulations and best practices on payment of severance and unemployment allowance when DID closes its office, tentatively on 30 November 2024. Calculate the severance and unemployment allowance and other possible allowance according to the best practice in the World and in Vietnam in particular.

#### **5. DELIVERABLES**

- Produced verification plan and program.
- The report with all the factual findings and exceptions resulting from the procedure. with corrective action recommendations in English and Vietnamese.

#### **6. QUALIFICATIONS**

- Local and independent audit firm with business operation registration and audit license in Vietnam;
- Neither in the process of dissolution nor in bankruptcy nor insolvency in accordance with the law;
- Have at least 05 auditors with valid practice certificates, among them, at least 02 auditors are able to communicate in English and Vietnamese;
- Experience in auditing work for at least 5 years of operation;
- At least 3 projects successfully conducted with a similar scope in a similar environment.

#### **7. REPORTING REQUIREMENTS**

- Contact and feedback to STEP Administrative, Finance and HR Manager and the Field Project Director, in particular immediate information in case obstacles occur;
- Written report as per the list of expected deliverables, at the satisfaction of DID.

## **8. HOW TO APPLY**

Interested consultants should submit their Proposal clearly stating proposed methodology and compliance with requested minimum qualifications for this assignment. The Proposal should be supported by CVs of auditor(s) submitted by email to [info@did-step.com](mailto:info@did-step.com), clearly indicating email subject of reference “Proposal DID2024 – Verification Service”. We will select an audit firm that provides the Proposal with the most competitive quotation.

Please kindly note that each email submission may not exceed 20MB in size.

The deadline for submission is 4 PM, 5th April 2024, Hanoi time.



Développement international Desjardins (DID) is a world leader in the deployment and strengthening of the inclusive finance sector in developing and emerging countries.

Our expertise is based on over one hundred years of experience accumulated by the Desjardins Group, the leading cooperative financial group in Canada and sixth largest in the world.

We draw on the best practices tested in collaboration with our numerous partners to support the setup, growth and strengthening of financial institutions as well as the development of individual and collective wealth.

**Consulting expert, investor and operator of financial institutions, DID provides its specialized expertise in the following fields:**

- Mobilization of savings
- Agricultural Finance
- Technological Solutions
- Financing for entrepreneurs
- Investments
- Social Performance
- Training
- Surveillance
- Gender Equality
- Governance
- Green Finance

Focused on the future, DID makes use of all its resources in order to increase access to financial services for communities in developing and emerging countries. Together, we create the future. It is the ultimate reason for our existence.

[www.did.qc.ca/en](http://www.did.qc.ca/en)