

## TERMS OF REFERENCE

### *Independent Audit of “Engaging youth as global citizens in Vietnam” (ROTA) Project*

#### 1. INTRODUCTION

The project “Engaging Youth as Global Citizens in Vietnam” is funded by the Reach Out to Asia (ROTA) program of Education Above All (EAA), ActionAid UK, and ActionAid Vietnam from 2021 to 2024. The project’s goal is to enhance leadership capacities for 13,902 young people to become proactive and engaged global citizens, actively contributing to the Sustainable Development Goals on environmental protection and climate action.

According to the project plan, an independent audit will be conducted to ensure project accountability and transparency. These Terms of Reference (ToRs) outline the objectives, scope of work for this audit exercise, and criteria for selecting the Auditor. The audit will verify if the expenditures and other financial documents submitted by ActionAid to EAA comply with the financial provisions of the MoU, if the costs reported are actual, and if all receipts have been declared.

#### 2. OBJECTIVES OF THE AUDIT

- 2.1 To submit audit opinions related to (a) the accuracy of project financial report on during October 2021 and September 2024, (b) compliance with the MoU and (c) the use of the project funds by ActionAid. Audit report must comply with the format prescribed by International Standard on Auditing (ISA) 800 and defined in 4.4 of this ToR. Only regarding confirmations under section 4.4 a and b in an audit opinion also admissible in accordance with International Standard on Assurance Engagements (ISAE) 3000.
- 2.2 To assess compliance to rules as specified in the MoU and law/regulations on aid management.
- 2.3 To follow the duties and requirements as per the audit agreement between ActionAid Vietnam and audit firm.

#### 3. SCOPE OF WORKS

In general, this independent audit would include, but not be limited to, the following tasks:

- 3.1 The Audit firm shall plan and conduct the audit in compliance with the International Standards on Auditing (ISA) as applied in Vietnam, where ActionAid Vietnam has its head office and project site in Soc Son, Duong Kinh, Nho Quan, KrongNo, KrongBong, Lam Ha, Binh Tan, Dong Hai, Ke Sach, Vinh Chau, Tra Vinh, with the total budget of USD 750,000.
- 3.2 The audit is to be conducted at the office of ActionAid Vietnam, where the accounts relevant to the project are kept. In exceptional cases, which have to be justified to EAA, it may also be carried out at another location agreed by ActionAid Vietnam and the Audit firm. A prerequisite is that all relevant accounting records and other documents are available to the auditor.
- 3.3 Conduct 04 audit fieldtrips to ActionAid Office and project site in Binh Tan, Dong Hai, Ke Sach and audit online in Soc Son, Duong Kinh, Nho Quan, KrongNo, KrongBong, Lam Ha, Vinh Chau, Tra Vinh.

- 3.4 Facilitate preparatory meetings between the representatives of ActionAid Vietnam and the auditing firm to inform all the parties concerned of the work to be undertaken, to outline the timetable of the audit and to make practical arrangements.
- 3.5 Facilitate closing Meeting to debrief all findings; to confirm the understanding and interpretation of audit findings and to detail and clarify all facts; to obtain the comments of the audited entity; to inform all parties concerned of the procedures for the finalization of the audit report and the follow-up of the results; to outline the implementation of the recommendations of the audit.

#### 4. EXPECTED RESULTS

- 4.1 The Audit firm shall produce evidence to ActionAid Vietnam, ActionAid UK and EAA in appropriate form of its authorization or registration as an audit firm.
- 4.2 The audit report is to be addressed to ActionAid Vietnam, ActionAid UK and EAA.
- 4.3 The Audit firm shall ensure that the financial report to which the audit report refers are clearly marked (e.g. through initialing and dating each page) and shall attach a copy of the financial report to the audit report.
- 4.4 The audit firm shall include all material exceptions as qualifications of the audit opinion in the checklist as below. In particular, the audit report shall contain the opinion of the audit firm on the following:
  - a) compliance with the MoU;
  - b) use of the project funds exclusively for purposes of the project and in accordance with the MoU;
  - c) whether the financial statements show a true and fair view of the income and expenditure and the financial position of the project.If the auditor has to qualify opinion c or identifies material exceptions to opinions a and b, full details shall be given in the audit report. In addition to the audit report, ActionAid requires the selected Auditor, unless it is stated otherwise, to fill up the audit completion checklist, where specific aspects of the audit activities are confirmed.
- 4.5 Within October 10th, the audit firm shall send an electronic file of the audit report, together with the management letter described under section 4.7 and, where applicable, the checklist mentioned under section 4.4, to EAA. Further, the Audit firm shall by 30<sup>th</sup> October 2024 send to ActionAid Vietnam three copies of the audit report, together with the management letter described under section 4.7 and, where applicable, the checklist referred to under section 4.4.
- 4.6 The audit is to be planned so as to provide the Auditor with sufficient, appropriate evidence as the basis for the opinions required in section 4.4. For the purposes of opinion b, the Auditor shall carry out, if appropriate, a physical inspection.
- 4.7 Management letter: The Audit firm will communicate to the management of ActionAid Vietnam its observations concerning the accounting system and internal controls together with a detailed list of any significant weaknesses that come to the Audit firm's attention during the course of the audit, as well as the risks associated therewith. The management letter must contain recommendations as to how these weaknesses can be eliminated and controls and records improved. The recommendations should be discussed and agreed with the management.

- 4.8 The Audit firm undertakes to store the documents passed to it in connection with the performance of the assignment and those prepared by itself, as well as correspondence exchanged about the assignment, in a safe place and to protect the same from unauthorized access by third parties. At the demand of EAA or ActionAid Vietnam, all documents which the audit firm has received by reason of its activities for EAA and/or ActionAid, either from them or for them, are to be returned to following the end of the assignment.

## 5. OTHERS

- 5.1 Support and clarification (if any) from the Auditor will be required as part of the services should there be any request for additional information from ActionAid Vietnam or donors on the audit.
- 5.2 Subject to the quality of audit services, the awarded contract could be considered beyond 2024.

## 6. SELECTION OF THE AUDITING FIRMS

A quotation written in English for this engagement should be submitted to ActionAid Vietnam in English as soon as possible but not later than **COB of 13 September 2024.**

The proposal must incorporate the following information:

- Audit firm profile especially the working experience with INGO and development projects,
- Understanding of the TOR and the activities that are implemented by ActionAid Vietnam,
- Audit approach,
- Audit team member's (CV and work experience),
- Audit plan as specified in this TOR,
- Financial proposal (Fee should be quoted in VND including out-of-pocket expenses).

The quotation should be fully signed and sealed to:

ActionAid Vietnam,

18<sup>th</sup> Floor, TMC Building, 01 Luong Yen, Hai Ba Trung District, Hanoi

Email: [jobs.aav@actionaid.org](mailto:jobs.aav@actionaid.org)

Ref.: QUOTATION FOR AUDITING OF "ENGAGING YOUTH AS GLOBAL CITIZENS IN VIETNAM" PROJECT - ACTIONAID VIETNAM - PERIOD 2021-2024