



ANNUAL AUDIT OF PROJECT/PROGRAMME SUPPORT - MEKONG IN BALANCE PROJECT

Independent Auditor for Year 2024-2025 Terms of Reference

Introduction

Child Rights Coalition Asia (CRC Asia) wishes to engage the services of an audit firm for the purpose of auditing of the **Mekong in Balance Project: Building Ambition for Lasting Action in Nature Conservation with Equity**, a project partnership between CRC Asia and WWF Cambodia amounting to USD45,000. The audit shall be carried out in accordance with international audit standards (ISA) issued by IAASB.¹ In addition to the audit of the financial statements, the assignment also includes an engagement to perform agreed-upon procedures regarding financial information in accordance with International Standards on Related Services (ISRS) 4400 as well as in accordance with the terms and review areas listed in section II.

The audit and the additional engagement shall be carried out by an external, independent and qualified auditing firm. The auditor shall be registered and have a license with the [Philippine Institute of Certified Public Accountants](#), a member body of IFAC. WWF Cambodia/SIDA shall approve the selection of auditor before the audit begins and a copy of the license shall be shared with WWF Cambodia/SIDA.

The signing auditor shall not be contracted for the assignment for more than a five-year period. The same audit firm can however be contracted for longer than seven years. It is possible to procure an audit firm for the entire project period. The same auditor may conduct the audit in all subsequent links, but each link may also use different auditors.

I. Objectives and scope of the audit

The objective is to audit the financial report for the period **1 October 2024 to August 31, 2025** as submitted to WWF Cambodia/SIDA and to express an audit opinion according to ISA, applying ISA 800/ISA 805, on whether the financial report of Mekong in Balance is in accordance with CRC Asia's accounting records and Sida's requirements for financial reporting as stipulated in the agreement including annexes, between WWF and CRC Asia.

II. Additional assignment; according to agreed upon procedures ISRS 4400, review the following areas in accordance with the Terms of Reference below

Mandatory procedures that must be included:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget.²
2. Observe and inspect whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under

¹ The International Auditing and Assurance Standards Board (IAASB)

² The budget is attached to the agreement with Sida as an annex and any updates should be supported by a written approval by Sida.



- current agreement.
- b) When applicable, compare if the opening fund balance³ for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Plan International Asia-Pacific/Plan International Sweden's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners, when applicable.
3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.
- Choose a sample of three individuals for three different months and:*
- b) Inquire and inspect whether there are supporting documentation⁴ for debited salary costs.
 - c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
 - d) Inspect whether CRC Asia comply with applicable tax legislation with regard to personal income taxes (PAYE)⁵ and social security fees.
4. Review and confirm that the CRC Asia screens implementing partners and/or suppliers to ensure that such parties are not subject to the European Union's financial sanctions list of persons, groups and organizations (EU Sanctions list). Enquire whether there have been any reported findings from the screening process and if so, report on such findings.
5. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
- b) **Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to WWF-Cambodia.

Follow up of funds that are channelled to implementing partners

Mandatory assignments that must be included if CRC Asia forward funds to implementing partners (IP's):

Choose a sample of a minimum of 60 % of the total of disbursed funds as well as 60 % of the number of IP's or a maximum of 10 IP's.

- 6. Inspect and confirm whether CRC Asia has signed agreements with the selected IP's.
- 7. Inspect and confirm whether CRC Asia, in all agreements entered with IP's, included the requirement to carry out annual audits. The requirement shall specify that these audits

³ I.e. funds remaining from disbursements made during previous reporting period/s

⁴ Debited salary costs should be verified by supporting documentation such as employment contracts

⁵ Pay As You Earn

shall be carried out with application of ISA (reporting according to ISA 800/805), and a separate assignment according to ISRS 4400 should be included for project/programme support. If agreements regarding core support are entered into with IP's, the audit shall be conducted in accordance with ISA 700 or National standards on auditing.

8. Inquire and inspect whether CRC Asia has received financial reports and reportings from auditors from all IP's included in the selected sample:
 - a) Inquire and inspect whether CRC Asia has verified if reports from IP's are in line with the requirements in the Agreement.
 - b) Inquire and inspect whether CRC Asia has documented its assessment of the submitted financial reports and reporting from auditors including management responses and action plans from selected IP's.
 - c) Inquire and inspect whether CRC Asia has documented its follow-up actions based on the information provided in the financial reports and the reporting from the auditor of the selected IP's.
 - d) Inquire and inspect whether CRC Asia has reported substantial observations⁶ from selected IP's audit reports in its communication with WWF Cambodia. List observations⁷ from IP's audit reports which have been part of this sample.

III. The reporting

The reporting shall be signed by the responsible auditor (not just the audit firm⁸) and shall include the title of the responsible auditor.

Reporting from the ISA assignment

The reporting from the auditor shall include an **Independent Auditor's Report** in accordance with the format in standard ISA 800/805 and the auditor's opinion shall be clearly stated. The financial report that has been the subject of the audit shall be attached to the audit report.

The reporting shall also include a **Management Letter** that discloses all audit findings, as well as weaknesses identified during the audit process. The auditor shall, regardless of materiality, quantify the amount for costs lacking sufficient supporting documentation. The auditor shall make recommendations to address the identified findings and weaknesses. The recommendations shall be presented in priority order and with a risk classification.

Measures taken by CRC Asia to address weaknesses identified in previous audits shall also be presented in the Management Letter through a Management Response. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this must be disclosed in the audit reporting.

If the auditor assesses that no findings or weaknesses have been identified during the audit that would result in a Management Letter, an explanation of this assessment must be disclosed in the audit reporting.

Reporting from the ISRS 4400 assignment

The additional assignment according to agreed-upon procedures ISRS 4400 under paragraph II, shall be reported separately in an "**Agreed-upon procedures report**". Performed procedures should be described and the findings should be reported in accordance with the requirements in the International Standard on Related Services 4400.

⁶ Deemed substantial by the Cooperation partner.

⁷ Observations included in Management Letters and if applicable, modified audit reports.

⁸ If the audit firm is obliged to sign, refer to relevant legislation. Sida still needs to know who has

When applicable, the sample size shall be stated in the report.

CRC Asia is responsible for providing a **Management Response** for all audits. The Management Response shall respond to all auditors' recommendations which shall include a time-bound action plan and the responsible person within the Cooperation partner. The Management Response can be included directly in the audit report or follow as an annex and shall be signed by management.

The reports are to be written in English in one copy and submitted digitally to WWF Cambodia no later than **15 October 2025**. Submission of draft reports to WWF Cambodia for review is due by **10 October 2025**.

Access to Facilities and Documents

The financial system of Cooperation partner is partly automated in QuickBooks and partly manual. All financial records are kept at the office.

The Independent Auditor will have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of meetings, bank records, invoices and contracts, etc.) and all staff of the organization. The Independent Auditor will have a right of access to banks and depositories, consultants and other persons or firms engaged by the program management over the period under the audit review.

The complete audit requirements shall be available by **30 September 2025**.

APPENDIX 1

AUDITING REQUIREMENTS

According to the regulations of WWF-Cambodia we need to certify that an external, independent and qualified auditor who is associated to an acknowledged national federation of accountants audits your organisation. Attach the Auditor's proof of registration with the national federation of accountants/auditors or equivalent when submitting the form to WWF-Cambodia.

In order to confirm this, we would like to ask you to fill out the table below:

Name of your organisation		
Name of Audit firm		
Audit firm contact details	Address:	Phone:
		Email:
		Website:
Auditor's contact details	Name:	Title/Position:
	Mobile:	Email:
	Auditor's member number of a national federation of Accountants:	
Name of national federation of accountants/auditors (if applicable in the country, it should be the institution connected to IFAC)		
The Auditor is a member of the national federation (yes/no). Proof of certification shall be attached.		
Which year did you		



start cooperating with the auditor?	
Describe the process when engaging the auditor?	