REQUEST FOR PROPOSAL (RFP)
For Provision of 2017 HACT Financial Audit for UNDP funded Projects
(Process 35-45945)

Phnom Penh, Cambodia
December 12, 2017

Dear Sir / Madam:

We kindly request you to submit your Proposal for provision of **2017 HACT Audit for UNDP Projects** .

Please be guided by the forms attached hereto as Annex B and C, in preparing your Proposal.

Your offer, **comprising of a Technical and Financial Proposal, in separate sealed envelopes**, must be submitted to the following address **no later than 2 January 2018 by 12:00 p.m., local time**. **Late submission shall be rejected**.

UNDP Cambodia, Registry Office (Building No. 5)
No. 18, Pasteur Street, Boeung Keng Kang I
PO Box 877, Phnom Penh, Cambodia
Attn: Procurement Analyst, Procurement Unit

Your Proposal must be expressed in the ***English***, and valid for a minimum period of ***90 days***

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex D.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:
http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link : http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

Kolap Hul
Operations Manager

Annex A

Description of Requirements

Context of the Requirement	Provision of Audit Services for UNDP Projects under National Implementation (NIM) and NGO Implementation. The objective is to give UNDP an independent audit opinion on the management and performance of the financial, operational, and project activities for projects under UNDP's National Implementation modality (NIM) and NGO Implementation.
Implementing Partner of UNDP	1. CfR 3 - Mine Action for Human Development 2. Environmental Governance Reform 3. Disability Rights Initiative Cambodia **Optional:** Three additional projects to be included subject to decision of the Office of Audit and Investigation 1. Cambodia Climate Change Alliance Phase 2 2. Multi-media Initiative for Youth 3. Randomly selected project
Brief Description of the Required Services[1]	▪ Auditors must certify, express an opinion, and quantify the Net Financial Misstatement (NFM) on each of the following: (i) UNDP Statement of Expenses - the Combined Delivery Report (CDR) - for the period 1 January to 31 December 2017. (ii) Statement of Cash Position reported by the project as at 31 December 2017 (iii) Statement of Assets and Equipment as at 31 December 2017 ▪ Auditors must indicate the risks associated with their findings and provide a categorization by risk: High, Medium, or Low. ▪ Auditors must provide the monetary value of the NFM of the qualification if the audit opinion on the CDR is Qualified, Adverse or Disclaimer. ▪ The audit will be carried out in accordance with either ISA or INTOSAI Auditing standard. A detailed ToR is attached as Annex E.
List and Description of Expected Outputs to be Delivered	• Details audit work plan and schedules. • Draft audit report by **23 February 2018** • Final signed audit report with signed UNDP statements by **16 March 2018**
Person to Supervise the Work/Performance of the Service Provider	Oversight Analyst, Management Support Unit, UNDP Cambodia
Frequency of Reporting	Refer to attached ToR (Annex E)
Progress Reporting Requirements	Refer to attached ToR (Annex E)
	☒ Projects' office/site

[1] *A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.*

Location of work	☒ At Contractor's Location
Expected duration of work	8 weeks (from 22 January to 16 March 2018)
Target start date	22 January 2018
Latest completion date	16 March 2018
Travels Expected	Refer to attached ToR (Annex E)
Special Security Requirements	N/A
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	☒ Office space and facilities, if needed
Implementation Schedule indicating breakdown and timing of activities/sub-activities	☒ Required
Names and curriculum vitae of individuals who will be involved in completing the services	☒ Required
Currency of Proposal	☒ United States Dollars
Value Added Tax on Price Proposal[2]	☒ must be exclusive of VAT and other applicable indirect taxes
Validity Period of Proposals *(Counting for the last day of submission of quotes)*	☒ 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.
Partial Quotes	☒ Not permitted
Payment Terms[3]	

Outputs	Percentage	Timing	Condition for Payment Release
Details audit work plan and schedules	20%	Within 1 week after commencing	Within thirty (30) days from the date of

[2] *VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.*

[3] *UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding $30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.*

			date of contract	meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	Draft audit report	30%	23 February 2018	
	Final signed audit report with certified statements	50%	16 March 2018	

Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Country Director, UNDP Cambodia
Type of Contract to be Signed	☒ Contract for Professional Services
Preliminary Examination	UNDP shall examine the Proposals to determine whether they are complete with respect to minimum documentary requirements, whether the documents have been properly signed, whether or not the Proposer is in the UN Security Council 1267/1989 Committee's list of terrorists and terrorist financiers, and in UNDP's list of suspended and removed vendors, and whether the Proposals are generally in order, among other indicators that may be used at this stage. The below requirements will be reviewed under Preliminary Examination before proceeding with the evaluation. UNDP may reject any Proposal at this stage. 1. Legally registered audit firm with Certificate of Registration of the business, including Articles of Incorporation, or equivalent document. 2. Form for Submitting Service Provider's Technical Proposal is duly completed and signed as per **Annex-B** (*completion in the template in Annex-B is mandatory for bidder as the form would allow bidders to confirm its conformity with the requirements defined in the Request for Proposal and all its attachments, as well as the provision of UNDP General Contract Terms and Conditions required under this process). Bidders may choose to use its own template and acceptable if it is duly signed by authorized person and confirm the same as Annex-B.* 3. Technical and Financial Proposals are submitted in separate sealed envelopes. 4. Proposer is not in the UN Security Council 1267/1989 Committee's list of terrorists and terrorist financiers, and in UNDP's list of suspended and removed vendors.
Criteria for Contract Award	☒ Having received the Highest Combined Score (based on the 70% technical weight and 30% price weight distribution) The total score for each proposal will be calculated independently by the following formula: <u>Rating the Technical Proposal (TP):</u>

TP Rating = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100

Rating the Financial Proposal (FP):

FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100

Total Combined Score:

(TP Rating) x Weight of TP (70%)

+ (FP Rating) x Weight of FP (30%)

Total Combined and Final Rating of the Proposal

☒ Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC will be grounds for the rejection of the Proposal.

Criteria for the Assessment of Proposal

Stage 1: Technical Proposal Evaluation (70%)

The Technical Proposal of the offerors will be evaluated based on the following criteria:

The total number of points allocated for the technical proposal is 1000. The technical proposal of the offeror is evaluated based on following criteria:

No.	Summary of Technical Proposal Evaluation Forms	Points Obtainable
1	Expertise of organization	200
2	Proposed Approach and methodology	150
3	Proposed Personnel	650
	Total	1000

No.	**Technical Proposal Evaluation Form 1: Expertise of organization**	**Points Obtainable**
1	Experience in conducting audits for UN Agencies	40
2	Experience in conducting audits of similar size	30
3	Have at least 10 years of experiences in applying either ISA or INTOSAI audit standards	30
4	Proven records of the firm's human resources including number in each level of professional staff	50
5	Strong and relevant expertise and qualifications and good public reputation in the area of business	50

	Total:	200

No.	Proposed Approach	Points Obtainable
1	To what degree does the Offeror understand the task? Have the important aspects of the task been addressed in sufficient detail?	50
2	Is the scope of task well defined and does it correspond to the TOR?	50
3	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	50
	Total	150

No.	Proposed personnel	Points Obtainable
1	**<u>Audit manager (1 person)</u>:** • Master of Business Administration with specialization in accounting, finance or related field or ACCA/CPA accredited **(50 points)** • At least 10 year experiences of managing audit exercise of similar size **(50 points)** • Experience in supervising and instructing audit teams, certifying financial statements, reviewing procurement process, providing audit ratings and conducting quality control **(30 points)** • Experience in audits of Development Projects in Cambodia is an advantage **(20 points)**	150
2	**<u>National Accredited auditors (3 persons)</u>: (120 x 3 persons)** • Having ACCA/CPA accreditation **(20 points)** • At least 5 years of experience in the field of audits 6**0 point)** • Experience in audits of development projects in Cambodia **(30 points)** • Ability to communicate in Khmer language, if not arrangement for translation have to be made in the proposal (**10 points**)	360
4	**<u>Specialist (s) with expertise on procurement</u>** • At least 5 years of experience in the field of procurement **(40 points)** • Experience in participating similar audit work **(30 points)**	70
5	**<u>A specialist with expertise on human resources</u>**	70

	• At least 5 years of experience in the field of human resources **(40 points)** • Experience in participating similar audit works **(30 points)**	
	Total	650

The minimum score required to pass the evaluation of technical proposal is 70% of the total obtainable score of 1,000 points.

<u>Stage 2: Financial Proposal (30%)</u>

☒ Only the Financial Proposal of the Service Providers that passed the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical proposals will only be considered and opened for evaluation using the above formula.

Post Qualification Review	UNDP reserves the right to undertake a post-qualification exercise aimed at determining, to its satisfaction the validity of the information provided by the Proposer. Such post-qualification shall be fully documented and, among those that may be listed in the Terms of Reference, may include, but need not be limited to, all or any combination of the following: a) Verification of accuracy, correctness and authenticity of information provided by the Proposer on the legal, technical and financial documents submitted; b) Validation of extent of compliance to the RFP requirements and evaluation criteria based on what has so far been found by the evaluation team; c) Inquiry and reference checking with other previous clients on the quality of performance on ongoing or previous contracts completed; d) Physical inspection of the Proposer's offices, branches or other places where business transpires, with or without notice to the Proposer; and e) Other means that UNDP may deem appropriate, at any stage within the selection process, prior to awarding the contract.
UNDP will award the contract to:	☒ One Service Provider
Annexes to this RFP[4]	• Form for Submission of Technical Proposal (Annex B) • Form for Submission of Financial Proposal (Annex C) • General Terms and Conditions / Special Conditions (Annex D) • Terms of Reference (Annex E)

[4] *Where the information is available in the web, a URL for the information may simply be provided.*

Contact Person for Inquiries (Written inquiries only)[5]	UNDP Cambodia Registry Office (located in Building No. 5, Ground Floor) No. 53, Pasteur Street, PO Box 877, Phnom Penh, Cambodia Tel: 023 216 167, Fax: 023 216 257 Attn: Procurement Unit, E-mail: sereyvattana.chan@undp.org or procurement.kh@undp.org Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.

[5] *This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.*

Annex B

FORM FOR SUBMITTING SERVICE PROVIDER'S TECHNICAL PROPOSAL[6]

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery[7])

[insert: Location].
[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Name of Proposing Organization / Firm:	
Country of Registration:	
Name of Contact Person for this Proposal:	
Address:	
Phone / Fax:	
Email:	

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the **Request for Proposal (RFP) Process No. 35-55945**, and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions.

[Name and Signature of the Service Provider's Authorized Person]……..
[Designation]……
[Date]……

[6] *This serves as a guide to the Service Provider in preparing the Proposal.*
[7] *Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes*

A. **Qualifications of the Service Provider**

This section should describe the organizational unit that will be responsible for the contract, and the general management approach towards this project. This should fully explain the Bidder's resources in terms of personnel and other resources necessary for achieving project results. The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

a) Profile – provide description of the organization/firm including the year, staffs structure, and state/country of incorporation and a brief description of the Bidder's present activities (focusing on the services related to the Proposal). The Bidder should describe its experience in similar projects;
b) Business Licenses – Registration Papers, Tax Payment Certification, etc.;
c) Track Record – list of clients for similar services indicating description of contract scope, contract duration, contract value, and contact references within the last 5 years;
d) Latest Financial Statement – income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation, etc. (if any);
e) Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc. (if any)
f) Written Self-Declaration that the Service Provider is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.

B. **Proposed Methodology for the Completion of Services**

This section should demonstrate the Bidder's responsiveness to the requirements/specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed; and demonstrating how the proposed methodology meets or exceeds the requirements. The Service Provider must describe how it will address/deliver the demands of the Request for Proposal document.

C. **Qualifications of Key Personnel**

- The service provider shall submit the proposed team structure to successfully deliver the assignment. The specific roles and responsibilities of each team member as required in the Request for Proposal document shall be clearly presented. The service provider shall also provide the updated CV of each team member as the supporting evidence of their qualification.

Annex C

FORM FOR SUBMITTING SERVICE PROVIDER'S FINANCIAL PROPOSAL[8]

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery[9])

[insert: Location].
[insert: Date]

To: [insert: Name and Address of UNDP focal point]

The Financial Proposal must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

A. **Cost Breakdown of Outputs/Tasks [This is only an Example]:**

The Proposers are requested to provide the cost breakdown for each project based on the following format. UNDP shall use the cost breakdown for the price reasonability assessment purposes as well as the calculation of price in the event that both parties have agreed to add new deliverables to the scope of Services.

No	**Cost Breakdown of Project**	**Amount**
1	CfR 3 - Mine Action for Human Development	
2	Environmental Governance Reform	
3	Disability Rights Initiative Cambodia	
	Total Lump Sum Amount	
Optional: (not be evaluated) *Three additional projects to be included subject to decision of the Office of Audit and Investigation*		
1	Cambodia Climate Change Alliance Phase 2	
2	Multi-media Initiative for Youth	
3	Randomly selected project	

Note:

The propose audit amount of 3 optional projects will not be considered during evaluation stage, however, UNDP reserves right to negotiate the audit cost that are considered above market range.

[8] *This serves as a guide to the Service Provider in preparing the Proposal.*
[9] *Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes*

B. **Cost Breakdown by Cost Component [This is only an Example]:**

Description of Activity	Total Period of Engagement	Total Person Remuneration/Unit Rate	Total
I. Personnel Services			
1. Services from Home Office			
a. Expertise 1			
b. Expertise 2			
2. Services from Field Offices			
a. Expertise 1			
b. Expertise 2			
II. Other Related Costs			
1. Travel Costs			
2. Daily Allowance			
3. Communications			
4. Reproduction			
5. Equipment Lease			
6. Others			

[Name and Signature of the Service Provider's Authorized Person]
[Designation]
[Date]

NOTE: WHEN SUBMITTING YOUR PROPOSAL DOCUMENTS, PLEASE CAREFULLY PLACE THE TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE SEALED ENVELOPES.

Annex D

General Terms and Conditions for Services

1.0 LEGAL STATUS:

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2.0 SOURCE OF INSTRUCTIONS:

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4.0 ASSIGNMENT:

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5.0 SUB-CONTRACTING:

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

8.4.1 Name UNDP as additional insured;
8.4.2 Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
8.4.3 Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
8.5 The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT:

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no

longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

11.1 Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.

11.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

11.3 At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

11.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of

performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

13.1 The recipient ("Recipient") of such information shall:

13.1.1 use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,

13.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.

13.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

13.2.1 any other party with the Discloser's prior written consent; and,

13.2.2 the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

13.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

13.2.2.2 any entity over which the Party exercises effective managerial control; or,

13.2.2.3 for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

13.3 The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

13.4 The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

13.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

13.6 These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.2 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

14.3 Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

14.4 The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 (“Arbitration”), below, shall not be deemed a termination of this Contract.

15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of

these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

16.1 **Amicable Settlement**: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 **Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the

Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21.0 OBSERVANCE OF THE LAW:

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22.0 SEXUAL EXPLOITATION:

22.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all

appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

22.2 The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official.

ANNEX E - TERMS OF REFERENCE FOR HACT FINANCIAL AUDIT

Period: 01 January to 31 December 2017

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INTRODUCTION

Throughout this document the term "implementing partner" is used to refer to the institution designated to manage the project. Where the project is nationally implemented (NIM), this will refer to a government institution. Where the project is NGO executed, this will refer to an NGO. The term "government co-ordinating authority" refers to the Cambodia Rehabilitation and Development Board/ Council for the Development of Cambodia (CRDB/CDC), which is the official UNDP counterpart.

This TOR has been revised to highlight requirements in the audit services required (Part E and Annex 1) as well as areas to be covered in the audit report and management letter (Part F and Annex 3), as follows:

- Auditors must certify, express an opinion, and quantify the Net Financial Misstatement (NFM) on each of the following:

  (i) UNDP Statement of Expenses - **the Combined Delivery Report (CDR)** - for the period 1 January to 31 December 2017
  (ii) Statement of Cash Position reported by the project as at 31 December 2017
  (iii) Statement of Assets and Equipment as at 31 December 2017

- Auditors must indicate the risks associated with their findings and provide a categorization by risk: High, Medium, or Low.
- Auditors must provide the monetary value of the NFM of the qualification if the audit opinion on the CDR is Qualified, Adverse or Disclaimer.

Follow-up to resolve Audit Observations

1. The United Nations Board of Auditors (UN BoA) has commented on the NGO/NIM audit results and the cases where they noted a lack of conclusive actions to properly address an audit qualification in the previous year audit and the related NFM. They also commented on the recurrence of the same significant audit issues in the same projects without being duly resolved. This is unacceptable and country offices must ensure adequate and direct action is taken to prevent the same deficiencies from recurring in the future. If further guidance is needed, country offices should contact OAI, Special Assignments Section or the respective OAI Regional Audit Centre.

A Critical Audit Requirement

2. Following the International Standards on Auditing (ISA 450 and ISA 710), there is a requirement regarding a previous year modified audit opinion.[1] This audit standard requires that auditors, when expressing an opinion on this year's statements, take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

3. Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years that would lead the UN BoA to issue a modified audit opinion on UNDP financial statements. (Refer to Annex 5)

4. Country offices (COs) must ensure the audit services are adequately covered as specified in the present TOR and CDRs are duly certified by the implementing partners and auditors and signed by UNDP CO management and attached to the audit reports; the same applies for the Statement of Cash Position (cash and bank balances of the project) and Statement of Assets and Equipment. If the project does not hold any assets or equipment or there is no cash at hand or bank account, the auditors must clearly indicate this in the opinion page and certify it.

Annex 1 provides the audit services required and standard scope of audit.

[1] A "modified" audit opinion means either a qualified opinion, a disclaimer of opinion or an adverse opinion.

Annex 2 describes the qualifications of an auditor and may help in the process of selecting auditors.
Where the TOR is being supplied to a short list of firms as part of a request for proposals (RFP) and the firms short listed have been pre-qualified, then the list of qualifications would not be needed.

Annex 3 is a sample audit report that needs to be submitted by the auditor (ISA 705, 706). A management letter needs to be attached to the audit report.

Annex 4 provides a definition of audit opinions (ISA 700).

Annex 5 provides guidance on Reporting Prior Year Modified opinion not corrected (ISA 450 and 710).

Annex 6 defines the three risk categories of audit observations and recommendations.

Annex 7 provides a template sample of certified prior year updated action plan (FY2016) that needs to be uploaded in CARDS.

Annex 8 provides a template for audit data and observations for FY2017 audits that auditors need to submit and the CO copy paste in CARDS the information.

Annex 9 provides guidance on formulating audit observations and recommendations.

Annex 10 provides guidance on Audit Materiality (ISA 320 and 450).

Annex 11 provides detail project information.

What follows is the proposed structure with guidance on the contents of the TOR that need to be communicated to the auditors by the UNDP country office.

A. Background

HACT Financial Audit is the annual audit exercise on UNDP programmes/projects which are implemented by our Implementing Partners within the framework of Harmonized Approach to Cash Transfer (HACT) of the United Nations system. Country Programme Action Plan 2016-18 agreed between the Cambodian Government and UNDP lays out the scope of the UNDP's support to development in Cambodia. As Cambodia transitions into the next stage of development, the focus of UNDP's intervention is to foster partnerships that address the impediments to sustainable development, particularly in the areas of human capital formation and economic vulnerability, critical for LDC graduation. UNDP will be a partner for policy, knowledge and innovation through evidence-based research for articulating policy options, and mobilizing knowledge and resources for policy choices that better people's lives.

In this audit exercise the UNDP Country Office wishes to engage an independent audit firm to conduct audit of three projects, namely, the Mine Action for Human Development; Environmental Governance Reform and Disability Rights Initiative Cambodia (funds implemented by the Disability Action Council).

There is a possibility that three more projects are audited subject to the decision of the UNDP's Office of Audit and Investigation. These projects include: Cambodian Climate Change Alliance Phase 2, Multi-media Initiative for Youth and one randomly selected project.

Audit firm proposal should cover three mandatory projects above and an option to include three additional projects.

Background information on projects to be audited:

Mine Action for Human Development: The project seeks to support the government in the development of holistic approaches that could help maximizing mine action results on human development. In particular, the project support: (1) the development of the National Mine Action Strategy (NMAS 2017-2025), establishment of performance monitoring systems that link mine action to human development in a systematic manner and ensure gender disaggregated and poverty related indicators are factored in; and (3) the release of land contaminated by mine and UXO in most affected provinces in support of poor households. The project is implemented by the Cambodian Mine Action and Victim Assistance Authority.

Environmental Governance Reform: Started in 2016, the project aims to assist the Royal Government of Cambodia in the review of institutional governance of the environment sector. The project activities include the operationalization of key government institutions for environmemtal management, development of the Environmental Code and the development of Integrated Ecosystem Mapping. One component of the project is managed by the National Council for Sustainable Development (NCSD).

Disability Rights Initiative Cambodia: DRIC is a joint UN Programme implemented across three UN Agencies, namely, UNICEF, UNDP and WHO with the overall programme objective to increase opportunities of people with disability for participation in social, economic, cultural and political life through effective implementation of the National Disability Strategic Plan (NDSP). Of the 4 programme outcomes, some activities under outcome 1: Disability Action Council of Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY/DAC) effectively coordinates the implementation of NDSP, aligned to the Convention on the Rights of People with Disability, are implemented by the Disability Action Council.

Three additional projects to be included subject to decision of the Office of Audit and Investigation:

Cambodia Climate Change Alliance Phase 2: The Overall Objective of the project is to strengthen national systems and capacities to support the coordination and implementation of Cambodia's climate change

response, contributing to a greener, low carbon, climate-resilient, equitable, sustainable and knowledge-based society. The Specific Objective will be to contribute to the implementation of the Cambodia Climate Change Strategic Plan. CCCA programme focus on three main drivers of change: (1) strengthening the governance of climate change, (2) harnessing public and private, domestic and external resources in support of the CCCSP vision and (3) Developing human and technological capital for the climate change response.

Multi-media Initiative for Youth: Started in November 2014, the project was initially aimed at improving the knowledge and efficacy of young people (aged 15-30) especially young women in negotiating with decision makers for better employment opportunities and livelihood enhancement through multi-media. Building on this success, the project has extended to give young people particularly urban and rural youth and especially young women, who are in unemployment or in vulnerable employment the knowledge, soft skills and the confidence they need to be able to both identify alternative jobs and mobilize support from their influencers (such as family members) to apply for these jobs or apply for training that will enable them to get such roles.

A project to be randomly selected

No.	Project Name	Implementing Partner (IP) / Responsible Party (RP)	Approximate Expenditure to be audited
1	CfR 3 - Mine Action for Human Development	Cambodian Mine Action and Victim Assistance Authority	$2,200,000
2	Environmental Governance Reform	National Council for Sustainable Development	$500,000
3	Disability Rights Initiative Cambodia	Disability Action Council	$520,000[2]
Three additional projects to be included subject to decision of the Office of Audit and Investigation[3]:			
1	Cambodia Climate Change Alliance Phase 2	National Council for Sustainable Development	$2,000,000
2	Multi-media Initiative for Youth	BBC Media Action	$1,200,000
3	*Randomly selected project*	TBC	$200,000 – $500,000

The TOR is directed to the audit of UNDP financial statements, which are referred to as Combined Delivery Reports (CDR).

B. Project Management

As indicated above, various entities are responsible for implementing UNDP-assisted projects. The relevant officials responsible for the projects are listed below. They act as primary contact persons in the implementing

[2] The audit will cover 4 fiscal years: Jan 2014 – Dec 17

[3] Audit firm proposal should cover three mandatory projects above and an option to include three additional projects.

partner agencies for this audit exercise.

	Project Name	National Project Director	National Project Manager or equivalent	Project Finance
1	Mine Action for Human Development	H.E. Ly Thuch, Secretary General, CMAA	H.E. Touch Pheap, Deputy Secretary General, CMAA	Ms. Sreng Sophea
2	Environmental Governance Reform	N/A	H.E. Tin Ponlok, Secretary General, NCSD	TBC
3	Disability Rights Initiative Cambodia		H.E. Em Chan Makara, Secretary General, DAC	Ms. Meas Ratha, Head of Finance Unit, DAC

Annex 11 provides a detail list of projects to be audited.

C. Consultations with concerned parties

Prior to the start of audit work the auditor will be required to consult with the UNDP Country Office and the implementing partner/ responsible party for each project. They may also be asked to conduct a joint audit briefing for all entities concerned to explain the audit procedure and work schedule, introduce the members of the audit team and provide a list of requirements in support of the audit exercise. Further, upon completion of the draft audit report and management letter, the auditor will be required to meet with the UNDP country office and with the implementing partner, either separately or jointly, to debrief them of its major findings from the audit and its recommendations for future improvements as well as to seek their feedback thereon.

D. Description of Financial Reports (UNDP CDR) to be audited

Description of the Combined Delivery Report and Supporting Schedules

The report to be audited is referred to as the Combined Delivery Report (CDR). This report is prepared by UNDP, using an in-house accounting software package called ATLAS. The CDR serves as the official financial statement that must be certified by the auditors. Project financial statements, if certified, **must** reconcile to the expenses appearing in the CDR and **must** be attached to the audit report. As described in more detail below, the CDR combines expenses from three disbursement sources for a calendar year. Refer to the section below on changes to the CDR since the adoption of the International Public Sector Accounting Standards (IPSAS) by UNDP effective 1 January 2012. The three disbursement sources include:

1. *Implementing partner (either Government or NGO)*

   UNDP procedures require that where funds are advanced to the executing agency, the agency must submit to the UNDP country office, on a quarterly basis, a financial report including: (1) the status of the advance; (2) a list of the disbursements made since the previous financial report; and (3) a request for a new advance. The UNDP country office enters the disbursements in ATLAS through the year as the financial reports are received. These implementing partner disbursements are recorded in the *Government* expenses column in the CDR.

2. *UNDP (country office, headquarters and other country offices)*

   Disbursements made by UNDP from its own bank accounts are entered in ATLAS by the UNDP country office. These UNDP disbursements are recorded in the *UNDP* expense column in the CDR. These disbursements may be classified as either *direct payments* or *UNDP support services*. This distinction, while very important for audit purposes, is not apparent from the CDR and can only be

provided by the UNDP country office as a supporting schedule. A brief description of each category is provided below.

a) Direct Payments - This is where the implementing partner is responsible for the expenses but requested UNDP to effect payment to the vendor/consultant on its behalf. The implementing partner is accountable for the disbursement and maintains all supporting documentation. UNDP simply effects payments on the basis of properly authorized requests and gives the implementing partner a copy of the related disbursement voucher as evidence that payment was made.

b) UNDP Support Services - This is where the government and UNDP have agreed that UNDP will provide support services to the project and signed a Letter of Agreement. These support services must be described in the Letter of Agreement (LOA). UNDP is fully responsible and accountable for these expenses and, accordingly, maintains all supporting documentation for the disbursement. These expenses are outside the scope of audit and, therefore, will not be reviewed by the auditors. This scope limitation should not be used as a reason for issuing a qualified audit opinion on the CDR. Where there is no signed Letter of Agreement for UNDP Support Services or a Country Programme Action Plan (CPAP) with the respective clauses of the LOA for UNDP Support Services, the audit should also cover the UNDP expenses under CO support. The CO must include this information in the TOR/contract for the auditors.

3. *UN agencies*

The UN agency reports its expenses to UNDP and to the government. The UNDP country office enters the expenses in ATLAS. These UN agency expenses are recorded in the UN agencies expense column in the CDR. Note: Any expenses under this column are outside the auditors' scope of audit. UN entities are audited under their own audit arrangement, following the 'Single Audit' principle and are not covered by UNDP's audit regime.

At the end of the year, after receiving the fourth quarter financial report from the implementing partner and the year-end expense report from the UN agency, UNDP prepares the CDR and submits it to the implementing partner for signature. UNDP will provide the auditor with the signed CDR together with the following supporting documentation.

1. The quarterly financial reports submitted by the implementing partner.
2. A list of the direct payments processed by UNDP at the request of the implementing partner.
3. A list of the disbursement made by UNDP as part of support services provided to the implementing partner.
4. The UN agency expenses statement for the year.
5. Letter of Agreement for UNDP support services signed between UNDP and the Government (or CPAP with relevant clauses regarding UNDP support services).
7. Relevant financial reports that show expenses of UNDP CO support, if there is no Letter of Agreement.

Note: With the adoption of the International Public Sector Accounting Standards (IPSAS) by UNDP effective 1 January 2012, the CDR is now prepared in two sections; the first section containing the total expense information as explained above (by Implementing Partner, UNDP and UN Agencies) and the second section showing the following information:

- Outstanding NEX advances
- Un-depreciated Fixed Assets
- Inventory
- Prepayments
- Commitments

In addition to the verification of the total project expense reflected in the CDR, the auditors will now be responsible for validating certain areas of the information appearing in the Funds Control section

of the CDR as shown above.

Outstanding NEX advances – If there is an amount appearing under this category, the auditors should reconcile it to the cash at hand at the project level. In principle, this amount should represent the balance of any advances transferred to the implementing partner minus the total expenses reported in the quarterly financial reports submitted by the implementing partner to UNDP.

Un-depreciated Fixed Assets – There could be cases where fixed assets that belong to or are used by the project are under UNDP's control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example). If there is an amount appearing on the CDR under this category, the auditors should investigate and determine that these assets are project related or not and, if project related, should perform the same audit procedures to validate the assets as those undertaken for the certification of the Statement of Assets and Equipment. Please refer to the Programme and Operations Policies and Procedures (POPP) section on "Administrative Services/Asset Management/Property Plan and Equipment/Furniture and Equipment Acquisition and Maintenance" for information regarding the custody/control/ownership of assets.

Inventory – Similar to the case of Un-depreciated Fixed Assets, there may be situations where certain items of inventory that were acquired for the project are temporarily under UNDP's control/custody. If there is an amount under this category, the auditors should determine the nature of the inventory and whether or not it is intended for the project. If it is determined that the inventory is project related, then the same audit procedures fort the certification of the Statement of Assets and Equipment should be applied. Please refer to the aforementioned section of the POPP on asset management as well as the section on "Financial Resources/Inventory Management" for additional guidance as necessary.

Prepayments – The auditors should validate any amount appearing under this category, i.e. determine what it represents and if it is in any way project related.

Commitments – Any amounts appearing under this category would be provided for informational purposes only and, therefore, the auditors would not be required to undertake any audit procedures related to the verification or validation of same.

E. Audit Services Required

The scope of audit services required is as the following:

- The auditors are expected to conduct the audit in the institutions of the above-mentioned audit list, with the scope limited to the UNDP assistance through a specific project implemented by said institution.
- The audit will be carried out in offices of selected UNDP projects in Phnom Penh, except for Mine Action for Human Development Project where auditors are required to conduct physical asset verification in project offices in provinces as specified in Annex 11.
- The audit will be carried out in accordance with either ISA[4] or INTOSAI[5] auditing standards.
- The audit period is 1 January to 31 December of the year 2017 except the audit of the Disability Rights Initiative Cambodia programme for funds managed by the Disability Action Council. Audit scope of DAC covers the period 1 January 2014 – 31 December 2017.
- The scope of the audit is limited to the implementing partner expenses, which are defined as including: (1) all disbursements listed in the quarterly financial reports submitted by the implementing partner/ responsible party; and (2) the direct payments processed by UNDP at the request of the implementing partner/ responsible party.
- The auditor is required to verify the mathematical accuracy of the CDR by ensuring that the expenses described in the supporting documentation (the quarterly financial reports, the list of direct payments processed by UNDP at the request of the government) are reconciled to the expenses, by

[4] International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board of the International Federation of Accountants

[5] International Organization of Supreme Audit Institutions

disbursing source, in the CDR.

- The auditor is required to state in the audit report the amount of expenses excluded from the scope of the audit because they were made by UNDP as part of direct support services and the amount of total expenses excluded because they were made by a UN agency. This scope limitation is not a valid reason for the auditors to issue a qualified audit opinion on the CDR.
- The auditor is required to state in the audit report if the audit was not in conformity with any of the above and indicate the alternative standards or procedures followed.
- The auditor is required to express an opinion as to the overall financial situation of the project for the period 1 January to 31 December 2017 (1 January 2014 – 31 December 2017 for DAC) and will certify:

  1. The Statement of Expenses (**CDR**) for the period from 1 January to 31 December 2017; 1 January 2014-31 December 2017 for DAC's financial statements

  2. The Statement of Cash Position (cash and bank balances of the project) reported by the project as at 31 December 2017; and

  3. The Statement of Assets and Equipment held by the project as at 31 December 2017.

- That the auditor is required to, as applicable, report in monetary value, the net financial misstatement of any modified audit opinion (modified opinions can be qualified, adverse, or disclaimer) on the Statement of Expenses (CDR) where applicable. This should also include prior year non resolved NFM.
- The auditor is required to review and sign the updated action plans for prior year audit observations and recommendations.
- The auditor/audit firm is required to submit a draft audit report by **23 February 2018** and a final signed audit report with signed UNDP statements by **16 March 2018**.

Note: Audit opinions must be one of the following: (a) unmodified, (b) qualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than "unmodified", the audit report **must** describe both the nature and amount of the possible effects on the financial statements.

The report should also make a reference to the section of the management letter with regard to the related audit observation number and the action taken or planned to be taken to address and conclusively correct the issues underlying the qualification. A definition of audit opinions is provided in Annex 4.

F. The Audit Report and Management Letter

The expected contents of the audit report and management letter and the topics/areas to be covered by the auditors are as follow.

Audit Report – **VERY IMPORTANT**

The audit report should clearly indicate the auditor's opinion (Refer to Annex 3 for a sample Audit Report). This would include at least the following:

- That it is a special purpose and confidential report
- The audit standards that were applied (ISAs, or national standards that comply with one of the ISAs in all material respects)
- The period covered by the audit opinion
- The amount of expenses audited
- The amount of the net financial misstatement of the modified audit opinion on the CDR, if modified
- The reason(s) resulting in the issuance of a modified audit opinion, qualified, adverse or disclaimer of opinion (the reason(s) must be also included in the management letter as an audit observation(s))
- The scope limitation (description and value) for those transactions that are the responsibility of UNDP (as part of direct CO support services to NIM) or a UN agency. Important to note: Such scope limitation should not be reason for a qualified audit opinion as such transactions would be, in general, excluded from the audit scope

- Whether the UNDP CDR - for the period from 1 January to 31 December 2017 (or Financial Reports of DAC for the period 1 January 2014 – 31 December 2017) is adequately and fairly presented and whether the disbursements are made in accordance with the purpose for which funds have been allocated to the project.

(a) A Financial Audit to express an opinion on the project's financial statements that includes:

- Expression of an opinion on whether the statement of expenses presents fairly the expense incurred by the project over a specified period in accordance with agreed upon accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of the Government or UNDP; and (iv) supported by properly approved vouchers and other supporting documents. The CDR is the mandatory and official statement of expenses to be certified. Other forms of statement of expenses that may be prepared by a project office are not accepted.

- Whether the result of the prior year's audits resulting in modified audit opinions on the CDR had conclusive actions to properly address an audit qualification in the previous year audit and the related NFM. If there is a lack of conclusive actions, the auditors must take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

Note: Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years.

- Expression of an opinion on the value and existence of the project's statement of assets and equipment as at a given date. This statement must include all assets and equipment available as at 31 December 2017, and not only those purchased in a given period. Where a project does not have any assets or equipment, it will not be necessary to express such an opinion; however, this should be disclosed in the audit report.

- Express an opinion on the value and existence of the cash held by the project as at a given date, i.e. 31 December 2017. The Audit Firm is required to express and opinion on the Statement of Cash Position where a dedicated bank account for the project has been established and/or the project holds petty cash. Where the project does not hold any cash, this should be disclosed in the audit report.

The Financial Audit will be conducted in accordance with International Standards on Auditing (ISA).

(b) An audit to assess and express an opinion on the project's internal controls and systems.

The deliverable will be an audit report similar to a long form management letter that covers the internal control weaknesses identified and the audit recommendations to address them.

The management letter should be attached to the audit report and cover the following topics/issues:

- A general review of a project's progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document or Annual Work Plan (AWP). This is not intended to address whether there has been compliance with specific covenants relating to specific performance criteria or outputs. However, general compliance with broad covenants such as implementing the project with economy and efficiency might be commented upon but not with the legal force of an audit opinion.

- An assessment of a project's internal control system with equal emphasis on: (i) the

effectiveness of the system in providing the project management with useful and timely information for the proper management of the project; and (ii) the general effectiveness of the internal control system in protecting the assets and resources of the project.

- A description of any specific internal control weaknesses noted in the financial management of the project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted should be included.

The audit of internal controls and systems will be conducted in accordance with the International Standards on Auditing (ISA).

The management letter should also include the following:

- Audit observations/recommendations (guidelines in Annex 9)
- The categorization of audit observations by risk severity: High, Medium, or Low. Definitions of these categories are given in Annex 6.
- Management comments/response to audit observations and recommendations (project management and/or UNDP, as applicable).
- Indication of observations that affect the audit opinion (when qualified, adverse or disclaimer of opinion is given).

More detailed guidance for the above general categories is provided below.

Review of project progress

As part of the general review of project progress, specific steps could include the following:

- Review annual and quarterly work plans, quarterly and annual financial reports, and requests for direct payments and assess in terms of their timeliness and their compliance with the project document or the AWP, and the UNDP Programme Operations Policies and Procedures (POPP) on Results Management.
- Review the annual project report prepared by the implementing partner and assess in terms of compliance with UNDP guidelines and whether the implementing partner met its responsibilities for monitoring described in the project document or AWP.
- Review whether the decisions and/or recommendations of the above activities have been followed through by the implementing partner.
- Review the pace of project progress and comment on the causes for delays.
- Comment on whether implementation services of the UN Agency were provided in line with the project document or AWP.

Assessment of internal control

The auditor is required to conduct a general assessment of internal controls according to established internal control standards. An example of established internal control standards and further information is available on the INTOSAI site www.intosai.org *(Guidelines for Internal Control Standards)*. The INTOSAI standards are intended for use by government managers as a framework to establish effective internal control structures.

In addition to the above general assessment, additional specific steps should include the following:

- Review the expenses made by the implementing partner and assess whether they are in accordance with the project document, AWP and budgets; and are in compliance with the UNDP POPP on Results and Accountability.

- Review the process for procurement/contracting activities and assess whether it was transparent and competitive.
- Review the use, control and disposal of non-expendable equipment and assess whether it is in compliance with UNDP POPP on Results and Accountability; and also whether the equipment procured met the identified needs and whether its use was in line with intended purposes.
- Review the process for recruiting project personnel and consultants and assess whether it was transparent and competitive.
- Review the implementing partner accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements of cash; and for supporting the preparation of the quarterly financial report.
- Review the records of requests for direct payments and ensure that they were signed by authorized government officials.

Recommendations for improvement

Recommendations should be directed to a specific entity so there is no confusion regarding who is responsible for implementation. The response of the entity should be included in the management letter, immediately following the recommendation.

Also, the auditor may wish to comment on "good practices" (if any) that were developed by the implementing partner/ responsible party that should be shared with other project personnel.

Available Facilities and Right of Access

There should be a description of the nature and the location of all records belonging to the project. This list should specify those records kept at the implementing partner's headquarters and those that are located at other offices.

The auditor would have full and complete access at any time to all records and documents (including books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts, etc.) and all employees of the entity. The auditor should be advised that he/she has a right of access to banks, consultants, contractors and other persons or firms engaged by the project management. If an auditor may not have unrestricted access to any records, person or location during the course of the audit, this restriction should be clearly defined, with reasons, in the TOR.

G. Qualification of audit firm

The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the entity. Auditor is required to disclose any relationship that might possibly compromise his/her independence.

Expertise of firm submitting proposal:

- Experience in conducting audits for UN Agencies
- Experience in conducting audits of similar size
- Have at least 10 years of experiences in applying either ISA or INTOSAI audit standards
- Proven records of the firm's human resources including number in each level of professional staff
- Strong and relevant expertise and qualifications and good public reputation in the area of business

Key personnel:

At the minimum, the audit team members should have the following qualifications:

1. Audit manager – responsible for liaising with UNDP regarding the conduct of the audits including contracting, submitting the draft ad final reports to the implementing partner and to UNDP, and billing of payments. The minimum professional qualifications of Audit Manager are as follow:
   - Master of Business Administration with specialization in accounting, finance or related field or ACCA/CPA accredited
   - At least 10 year experiences of managing audit exercise of similar size.
   - Experience in supervising and instructing audit teams, certifying financial statements, reviewing procurement process, providing audit ratings and conducting quality control.
   - Experiences in auditing projects of United Nations under the Harmonized Approach to Cash Transfer (HACT) framework is an advantage

2. 3 Accredited auditors – responsible for undertaking the actual examination of financial statements and related documents and preparing the management comments. The minimum professional qualifications are indicated below:
   - Having ACCA/CPA accreditation
   - At least 5 years of experience in the field of audits
   - Experience in audits of development projects in Cambodia is an advantage
   - Able to communicate fluently in Khmer language, if not a translation services to be made available and included in the proposal.

3. Audit team should include specialists with expertise on procurement and human resources

4. Experienced audit assistants may be employed by the auditor as needed. Audit assistants shall not conduct the audit activities if not accompanied by the accredited auditors.

   Curriculum vitae (CVs) should be provided to the client by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of audit manager, and accredited auditors and key personnel proposed as part of the audit team. CVs of all proposed personnels should include details on audit carried out by them in the past, and on-going assignments indicating the role in key audit assignments.

ANNEX 1: AUDIT SERVICES REQUIRED

The scope of audit services shall be in accordance with International Standards on Auditing (ISA) and cover the overall management of the project's implementation, monitoring and supervision. The audit work should include the review of work plans, progress reports, project resources, project budgets, project expenses, project delivery, recruitment, operational and financial closing of projects (if applicable) and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed at the level of the project:

Human resources

The audit work shall cover the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and include performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records.

Finance

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expense reports, records maintenance and control.

Procurement

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government (or NGO) or UNDP and include the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment
- Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective
- Management and control over the variation orders

The audit work in the area of procurement shall also cover the use of consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel and assessment of their work before final payment is made.

Asset Management

The audit work shall cover equipment (typically vehicles and office equipment) purchased for use of the project. The procedures for receipt, storage, and disposal shall also be reviewed.

Cash Management

The audit work shall cover all cash funds held by the project and review procedures for safeguarding of cash.

General Administration

The audit work shall cover travel activities, vehicle management, shipping services, office premises and lease management, office communications and IT systems, and records maintenance.

Note*:* The above scope shall cover those transactions performed at the level of the project to include direct payments made by the UNDP country office at the request of the project.

Scope Limitation

Transactions/actions that are performed by the UNDP office at the request and on behalf of the project (i.e. UNDP direct support services to NIM) where there is a signed Letter of Agreement (LOA) are **not** to be included in the audit scope**.**

Important note: Such scope limitation should not be a reason for issuing a modified audit opinion by the auditors. Please refer to Section D.

ANNEX 2: QUALIFICATIONS OF AUDITORS

The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of the entity. Auditor is required to disclose any relationship that might possibly compromise his/her independence.

Expertise of firm submitting proposal:

- Experience in conducting audits for UN Agencies
- Experience in conducting audits of similar size
- Have at least 10 years of experiences in applying either ISA or INTOSAI audit standards
- Proven records of the firm's human resources including number in each level of professional staff
- Strong and relevant expertise and qualifications and good public reputation in the area of business

Key personnel:
At the minimum, the audit team members should have the following qualifications:

5. Audit manager – responsible for liaising with UNDP regarding the conduct of the audits including contracting, submitting the draft ad final reports to the implementing partner and to UNDP, and billing of payments. The minimum professional qualifications of Audit Manager are as follow:
   - Master of Business Administration with specialization in accounting, finance or related field or ACCA/CPA accredited
   - At least 10 year experiences of managing audit exercise of similar size.
   - Experience in supervising and instructing audit teams, certifying financial statements, reviewing procurement process, providing audit ratings and conducting quality control.
   - Experiences in auditing projects of United Nations under the Harmonized Approach to Cash Transfer (HACT) framework is an advantage

6. 3 Accredited auditors – responsible for undertaking the actual examination of financial statements and related documents and preparing the management comments. The minimum professional qualifications are indicated below:
   - Having ACCA/CPA accreditation
   - At least 5 years of experience in the field of audits
   - Experience in audits of development projects in Cambodia is an advantage
   - Able to communicate fluently in Khmer language, if not a translation services to be made available and included in the proposal.

7. Audit team should include specialists with expertise on procurement and human resources

8. Experienced audit assistants may be employed by the auditor as needed. Audit assistants shall not conduct the audit activities if not accompanied by the accredited auditors.

   Curriculum vitae (CVs) should be provided to the client by the principal of the firm of auditors who would be responsible for signing the opinion, together with the CVs of audit manager, and accredited auditors and key personnel proposed as part of the audit team. CVs of all proposed personnels should include details on audit carried out by them in the past, and on-going assignments indicating the role in key audit assignments.

ANNEX 3: SAMPLE AUDIT REPORT

Independent Auditor's report to:

The National Project Director and
The Resident Representative

I. Sample Independent Auditor's Report on Statement of Expenses (UNDP CDR)

REPORT OF THE INDEPENDENT AUDITORS TO UNDP [insert project name] (Refer to ISA 700)

We have audited the accompanying Statement of Expenses ("the statement") of the project [insert project and project number(s)], [insert official title of project] for the period [insert period covered].

Opinion

Clean Opinion: Option 1: (Unmodified)
In our opinion, the attached statement of expenses presents fairly, in all material respects, the expense of [insert amount in US$] incurred by the project [insert official title of project] for the period [insert period covered] in accordance with agreed upon accounting policies [if needed add - and the note to the statement] and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

Modified Opinions (Refer to ISA 705)

Option 2: (Qualified opinion)
In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the attached statement of expenses presents fairly in all material respects the expenses of [insert amount in US$] incurred by the project [insert official title of project] for the period [insert period covered] in accordance with agreed upon accounting policies [if needed add: and the note to the statement] and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

Option 3: (Adverse opinion)
In our opinion, based on the significance of the matter discussed in the Basis for opinion section of our report, the statement of expenses do not present fairly the expenses of [insert amount in US$] incurred by the project [insert official title of project] for the period from [insert period covered].

Option 4: (Disclaimer of opinion)
We do not express an opinion on the accompanying statement of expenses. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of expenses of [insert amount in US$] incurred by the project [insert official title of project] and audited by us for the period from [insert period covered].

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of expenses section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Add here a description of the basis for the qualified, adverse or disclaimer opinion]

Management responsibilities

Management is responsible for the preparation and fair presentation of the statement for <name/title> project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the statement of expenses is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of expenses, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter *[if applicable (Refer to ISA 706)]*

We draw attention to Note [X] to the accompanying statement of expenses which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

_____

Auditor's Name and Signature

_____

Date of the auditor's report

_____

Auditor's address

II. Sample Independent Auditor's Opinion on Statement of Assets and Equipment (Refer to ISA 700)

We have audited the accompanying statement of assets and equipment ("the statement") of the project number [insert project and project number(s)], [insert official title of project] as at [insert date].

Opinion

Clean Opinion: Option 1: (Unmodified)
In our opinion, the accompanying statement of assets and equipment presents fairly, in all material respects, the assets and equipment status of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement].

Modified Opinions (Refer to ISA 705)

Option 2: (Qualified opinion)

In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the accompanying statement of assets and equipment presents fairly, in all material respects, the balance of inventory of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement].

Option 3: (Adverse opinion)

In our opinion, because of the significance of the matter discussed in the Basis for opinion section of our report, the accompanying statement of assets and equipment does not present fairly the assets status of the project [insert official title of the project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Option 4: (Disclaimer of opinion)

We do not express an opinion on the accompanying statement assets and equipment. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of assets and equipment amounting to [insert amount in US$] as at xxxx [insert date].

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of assets and equipment. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Add here a description of the basis for the qualified, adverse or disclaimer opinion]

Management responsibilities

Management is responsible for the preparation of the statement of assets and equipment of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of assets and equipment that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit

Our objectives are to obtain reasonable assurance about whether the statement of assets and equipment is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of assets and equipment, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter *[if applicable (Refer to ISA 706)]*

We draw attention to Note [X] to the accompanying statement of expenses which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

_____

Auditor's Name and Signature

_____

Date of the auditor's report

_____

Auditor's address

III. Sample Independent Auditor's Report on Statement of Cash Position (Statement of Cash Position is required only if there is separate bank account for each of the projects and/or petty cash) (Refer to ISA 700)

We have audited the accompanying statement of cash position ("the statement") of the project number [insert project and project number(s)], [insert official title of project] as at XXX.

Opinion

Clean Opinion: Option 1: (Unmodified)

In our opinion, the accompanying statement of cash position presents fairly, in all material respects, the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Modified Opinions *(Refer to ISA 705)]*

Option 2: (Qualified opinion)

In our opinion, except for the effects of the matter described in the Basis for opinion section of our report, the accompanying statement of cash position presents fairly, in all material respects, the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Option 3: (Adverse opinion)

In our opinion, because of the significance of the matter discussed in the Basis for opinion section of our report, the accompanying statement of cash position does not present fairly the cash and bank balance of the project [insert official title of project] amounting to [insert amount in US$] as at xxxx [insert date] in accordance with agreed upon accounting policies [if needed add: set out in the note to the statement.

Option 4: (Disclaimer of opinion)

We do not express an opinion on the accompanying statement of cash position. Because of the significance of the matter described in the Basis for opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of cash position amounting to [insert amount in US$] as at xxxx [insert date].

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of cash position section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Add here a description of the basis for the qualified, adverse or disclaimer opinion]

Management responsibilities

Management is responsible for the preparation of the statement of cash position of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of cash position that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the statement of cash position is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of cash position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter *[if applicable (Refer to ISA 706)]*

We draw attention to Note X to the statement of cash position which describes the uncertainty related to the (insert the issue). Our opinion is not qualified in respect of this matter.

_____
Auditor's Name and Signature

_____
Date of the auditor's report

_____
Auditor's address

Date of issuance: _____

AUDITOR'S NAME (Please print): _____

AUDITOR'S SIGNATURE: _____

STAMP AND SEAL OF AUDIT FIRM: _____

AUDIT FIRM ADDRESS: _____

AUDIT FIRM TEL. NO. _____

Note: Audit opinions must be one of the following: (a) unmodified, (b) qualified, (c) adverse, or (d) disclaimer. If the audit opinion is other than "unmodified" the audit report must describe both the nature and amount of the possible effects on the UNDP financial statement (CDR) (Amount of qualification). A definition of audit opinions is provided in Annex 4.

ANNEX 4: DEFINITION OF AUDIT OPINIONS

Unmodified (Clean) Opinion (ISA[6] 700)

An unmodified opinion should be expressed when the auditor concludes that the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework.

An unmodified opinion indicates implicitly that any changes in accounting policies or in the method of their application, and the effects thereof, have been properly determined and disclosed in the financial statements.

Emphasis of Matter (ISA 706)

If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the financial statements, the auditor shall include an Emphasis of Matter paragraph in the auditor's report provided the auditor has obtained sufficient appropriate audit evidence that the matter is not materially misstated in the financial statements. Such a paragraph shall refer only to information presented or disclosed in the financial statements.

An emphasis of matter is not considered a modified opinion.

Qualified Opinion (ISA 705)

The auditor expresses a qualified opinion when:

(a) The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or

(b) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

Disclaimer of opinion (ISA 705)

The auditor disclaims an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

The auditor shall disclaim an opinion when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

Adverse Opinion (ISA 705)

The auditor shall expresses an adverse opinion when, having obtained sufficient appropriate audit evidence, s/he concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

[6] ISA = International Standards on Auditing

Annex 5: International Standards on Auditing (ISA) 450 and 710

Guidance on Reporting Prior Year Modified opinion not properly corrected or resolved

Following the International Standards on Auditing (ISA) 450 and ISA 710 that came into effect on December 2010 there is a requirement regarding a previous year modified audit opinion[7] This audit standard requires that auditors, when expressing an opinion on this year's statements, to take into account the possible effect of a prior year modified opinion that has not been properly corrected or resolved.

Consequently, a previous year modified opinion that has not been properly resolved may cause the auditors to issue a modified opinion in their current year audit report. If proper attention is not paid to this aspect, the risk could be a significant accumulation of unresolved modified opinions from previous years that would lead the UN BoA to issue a modified audit opinion on UNDP financial statements.

[7] A "modified" audit opinion means either a qualified opinion, a disclaimer of opinion or an adverse opinion.

ANNEX 6: Priority of Audit Observations and Recommendations

High	Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues.
Medium	Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.
Low	Action is desirable and should result in enhanced control or better value for money.

ANNEX 7 TEMPLATE FOR AUDITORS TO REVIEW AND SIGN THE UPDATED ACTION PLANS FOR PRIOR YEAR AUDIT OBSERVATIONS AND RECOMMENDATIONS

Award no.:			Output No.:			Opinion Type:						
Obs No	**Observation**	**Recommendation**	**Audit Area**	**Risk Severity**	**Proj/CO Mngt Comments**	**Action(s) Planned**	**Target Impl. Date**	**Action Unit**	**Person Responsible for Action**	**Updated Status**	**Actual Impl. Date**	**Description of Status Update**
Award no.:			**Output No.:**			**Opinion Type:**						
Obs No	**Observation**	**Recommendation**	**Audit Area**	**Risk Severity**	**Proj/CO Mngt Comments**	**Action(s) Planned**	**Target Impl. Date**	**Action Unit**	**Person Responsible for Action**	**Updated Status**	**Actual Impl. Date**	**Description of Status Update**
Award no.:			**Output No.:**			**Opinion Type:**						
Obs No	**Observation**	**Recommendation**	**Audit Area**	**Risk Severity**	**Proj/CO Mngt Comments**	**Action(s) Planned**	**Target Impl. Date**	**Action Unit**	**Person Responsible for Action**	**Updated Status**	**Actual Impl. Date**	**Description of Status Update**

Implementing Partner (IP)

Signature of IP Official: _____

Name and title (print): _____

Date: _____

UNDP Country Office

Signature of UNDP Official:_____

Name and title (print): _____

Date: _____

Government Auditors/Audit Firm

Signature of Audit firm Official: _____

Name and title (print): _____

Date: _____

Stamp and Seal of audit firm: _____

Note: The values for the "Updated Status" could be: Implemented, In Progress, Not Implemented, N/A or Withdrawn. "N/A" means not applicable and would be used if there is an overall change in a project's working environment that makes last year's audit observation no longer applicable. For example, the project has been closed. Another example for using "N/A" is a project that had its own bank account and last year' audit recommendation called for the need to perform monthly bank reconciliation. However the following year, the auditor notes that the bank account has been closed. "Withdrawn" would be used if there is an overall change in a project's working environment that makes last year's audit observation and recommendation no longer valid. "Withdrawn" is very rarely used.

ANNEX 8: TEMPLATE FOR AUDIT DATA AND OBSERVATIONS

The information in the four tables below should be completed by the auditors and signed. The CO can obtain the electronic version of the word document and copy and paste the information in CARDS for each project/project audit report.

Table 1 - Template for auditors to report on the audit of the UNDP CDR

UNDP Combined Delivery Report (CDR) as at 31 December 2017							
1	**Project No.**	**Output No.**	**Amount audited and certified (US$)**	**Audit opinion** (unqualified, qualified, adverse, disclaimer)	**Total amount of qualification of audit opinion** (if qualified, adverse or disclaimer of opinion)	**Reason(s) for qualification** of audit opinion and breakdown of **NFM amount** (US	**Observation(s) that had impact on qualification** of audit opinion (list observation number(s) and page of audit report/management letter)

Table 2 - Template for auditors to report on the audit of the statement of cash position

Statement of Cash Position				
Project No.	**Output No.**	**Value of Cash Position Statement** as at 31 December 2017 (US$)	**Audit Opinion - Statement of Cash Position**	**Total amount of qualification** - Statement of Cash Position (US$)

Table 3 – Template for auditors to report on the audit of the statement of assets and equipment

Statement of assets and equipment				
Project No.	**Output No.**	**Value of assets and equipment** as at 31 December 2017 (cumulative from project start date) (US$)	**Audit Opinion - Statement of Assets and Equipment**	**Total amount of qualification** on the Statement of assets and equipment (US$)

Table 4 - Template for auditors to report on current year audit observations and recommendations

Project No.	Output No.	Observ. No	Audit Observation	Recommendation	Audit Area	Risk Severity	Project/CO Mngmt. Comments

Name and position of Auditor: _____

Signature of Auditor: _____ Date: _____

Name and stamp of Audit Firm: _____

ANNEX 9: GUIDANCE OF FORMULATING AUDIT OBSERVATIONS AND RECOMMENDATIONS

The purpose of this note is to provide guidance on formulating audit observations and recommendations that are effective.

Effective audit observations should consist of four (4) common elements:

1) Condition
2) Criteria
3) Effect, potential impact or Risk
4) Recommendation

Items 1 to 3 must be part of what constitutes an audit observation. Below are helpful tips on each of these areas.

CONDITION

The "Condition" refers to a conclusion, problem, or opportunity noted during the audit review. It directly addresses a control objective or some other standard of performance. Sample condition statements include:

- ”The appropriate individual did not authorize this document."
- "The account has not been reconciled for three months."
- "The process can be streamlined to save six hours per day."

When documenting the condition, it is important to include the necessary level of detail in the description of the problem. Someone who has not participated in the audit, but has some basic understanding of the subject matter or function, should be able to comprehend any condition statement.

CRITERIA

This element describes the standard being used as the benchmark for evaluation. In other words, it depicts the ideal condition. The criteria may reference a specific policy, procedure, or government regulation. At other times, the criteria may simply be a matter of common sense or prudent business practice. For example, a criteria statement might state that "Per policy #1234, all loans greater than $100,000 must be approved by the board of directors;" or "Payroll processing responsibilities should be segregated to control the authorization of master file changes."

EFFECT, POTENTIAL IMPACT OR RISK

The effect statement describes the particular risk that could exist (the potential impact or risk) or that has already existed (the effect) as a result of the condition or problem. Basically, it answers the question, "so what?" Effect statements often discuss the potential for loss, noncompliance, or customer dissatisfaction created by the problem.

Management is likely to zero in on the information provided in this aspect of the audit observation, as it allows them to see how the condition will negatively impact their activities. As a result, the effect statement often serves as the catalyst for a positive change.

One note of caution is in order - the risk suggested by the effect statement should not be overblown or exaggerated. While auditors are responsible for pointing out risks associated with control breakdowns, the effect statement should remain reasonable, plausible and should not be worded as if the world were coming to an end. If auditees are to take the audit observation seriously and respect what an auditor has to say, an auditor talks about risk in realistic, not exaggerated, terms.

Risk Levels

In addition to explaining the and giving details about the "Effect, potential impact or risk" in the text of an audit observation, UNDP requires that the auditor also identifies the risk level in the audit report by using one of the following 3 pre-established risk levels:

High	Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues.
Medium	Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.
Low	Action is desirable and should result in enhanced control or better value for money.

RECOMMENDATION

This aspect suggests how the situation might be remedied. An effective recommendation directly relates to and targets the cause. It isn't enough to state in general terms that management should fix the problem; the recommendation statement should also explain how remediation is to be achieved.

A good recommendation maintains the proper balance between the risk presented and the cost to control it. Before making a recommendation, the auditor should consider the following questions:

Does the recommendation solve the problem and eliminate or reduce the risk?

- Can the recommendation be implemented within the current environment?
- Is the recommendation cost-effective?
- Will the recommendation act as a temporary bandage or a permanent solution?

Examples of effective recommendations include monthly or quarterly physical inventories of all assets and equipment with reconciliation to appropriate records.

ADDITIONAL TIPS

Whenever possible, similar findings should be combined into one form so that the case for implementing the recommendation is strengthened.

Playing devil's advocate can be an extremely helpful exercise. After completing the audit observation and recommendation, auditors should place themselves in the auditees' shoes and challenge/question the validity of the issue. If the issue cannot stand up to this exercise, it probably should not be included in the audit report.

ANNEX 10: GUIDANCE ON AUDIT MATERIALITY (ISA 320, 450)

ISA 320

ISA 320 deals with the auditor's responsibility to apply the concept of materiality in planning and performing an audit of financial statements.

Financial reporting frameworks often discuss the concept of materiality in the context of the preparation and presentation of financial statements. Although financial reporting frameworks may discuss materiality in different terms, they generally explain that:

- Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

For purposes of the ISAs, performance materiality means the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. If applicable, performance materiality also refers to the amount or amounts set by the auditor at less than the materiality level or levels for particular classes of transactions, account balances or disclosures.

When establishing the overall audit strategy, the auditor shall determine materiality for the financial statements as a whole. If, in the specific circumstances of the entity, there is one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements, the auditor shall also determine the materiality level or levels to be applied to those particular classes of transactions, account balances or disclosures.

The auditor shall determine performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

The auditor shall revise materiality for the financial statements as a whole (and, if applicable, the materiality level or levels for particular classes of transactions, account balances or disclosures) in the event of becoming aware of information during the audit that would have caused the auditor to have determined a different amount (or amounts) initially.

If the auditor concludes that a lower materiality for the financial statements as a whole (and, if applicable, materiality level or levels for particular classes of transactions, account balances or disclosures) than that initially determined is appropriate, the auditor shall determine whether it is necessary to revise performance materiality, and whether the nature, timing and extent of the further audit procedures remain appropriate.

ISA 450

ISA 450 deals with the auditor's responsibility to evaluate the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.

Each individual misstatement is considered to evaluate its effect on the relevant classes of transactions, account balances or disclosures, including whether the materiality level for that particular class of transactions, account balance or disclosure, if any, has been exceeded.

The circumstances related to some misstatements may cause the auditor to evaluate them as material, individually or when considered together with other misstatements accumulated during the audit, even if they are lower than materiality for the financial statements as a whole. Circumstances that may affect the

evaluation include the extent to which the misstatement:

- Affects compliance with regulatory requirements;
- Relates to the incorrect selection or application of an accounting policy that has an immaterial effect on the current period's financial statements but is likely to have a material effect on future periods' financial statements;
- Is an omission of information not specifically required by the applicable financial reporting framework but which, in the judgment of the auditor, is important to the users' understanding of the financial position, financial performance of the entity.

The cumulative effect of immaterial uncorrected misstatements related to prior periods may have a material effect on the current period's financial statements. There are different acceptable approaches to the auditor's evaluation of such uncorrected misstatements on the current period's financial statements. Using the same evaluation approach provides consistency from period to period.

ANNEX 11: DETAIL PROJECT INFORMATION

	Project Name	Implementing Partner	National Project Director	National Project Manager or equivalent	Project Finance	Project Location (s)	Project Estimated Expenditure by IP	Sources of Fund
1	CfR 3: Mine Action for Human Development (MAfHD)	Cambodian Mine Action and Victim Assistance Authority (CMAA)	H.E. Ly Thuch Secretary General CMAA	H.E. Touch Pheap Deputy Director General CMAA	Ms. Sreng Sophea	CMAA, Phnom Penh, Field visits to provinces, verify and review CMAA's inventory lists management only. They are located in the following provinces: - Battambang - Pailin - Banteay Meanchey	$2,200,000	DFAT[8] (bilateral), UNDP
2	Environmental Governance Reform	National Council for Sustainable Development (NCSD)	N/A	H.E. Tin Ponlok Secretary General NCSD	TBC	NCSD, c/o: Ministry of Environment	$500,000	USAID[9]
3	Disability Rights Initiative Cambodia	Disability Action Council (DAC)	N/A	H.E. Em Chan Makara	Ms. Meas Ratha, Head of	DAC office in Phnom Penh	$520,000	DFAT (through Multi-donor

[8] Department of Foreign Affairs and Trade (Australia)
[9] United State Agency for International Development

				Secretary General, DAC	Finance, DAC			Trust Fund)
3 projects (subject to the decision of UNDP's Office of Audit and Investigation)[10]								
1	Cambodian Climate Change Alliance Phase 2	National Council for Sustainable Development	H.E. Tin Ponlok, Secretary General, NCSD	Mr. Sum Thy, Director of Climate Change Department, NCSD	Mr. Youn Daravuth	NCSD Office, c/o: Ministry of Environment	2,000,000	EU, SIDA, UNDP
2	Multi-media Initiative for YOuth	BBC Media Action		Ms. Clara Raven, Project Director, BBC MA	Mr. Ken Sareth, Finance Manager, BBC MA	BBC MA Office, Phnom Penh	1,200,000	SIDA, UNDP
3	To be randomly selected	TBC					200,000 - 500,000	TBC

[10] Audit firm proposal should cover three mandatory projects above and an option to include three additional projects.