



**ສະມາຄົມ ນ້ຳໃຈຊາວບ້ານ**  
Namjai Community Association

ເຮືອນເລກທີ 126/4, ໜ່ວຍ 12, ບ້ານ ອາມູ, ເມືອງ ຈັນທະບູລີ, ນະຄອນຫລວງ ວຽງຈັນ, ຕູ້ໂປສະນີ 4804, ໂທ: 021 253125.

## TERMS OF REFERENCE

### Audit of Project Financial Statements

### Youth's Voice to Prevention of Elder Abuse and the Respect for Seniors

#### I. BACKGROUND

1. The project, Voice Grant No. V-201 43-LA-1F, Youth's Voice to Prevention of Elder Abuse and the Respect for Seniors was approved on 11 August 2021, to influence decision makers for policy change towards the elderly by the group of the elderly and youth, for a total financing of EURO 198,147.27 in the form of grant. The grant agreement signed between Namjai Community Association and the **Voice** on 11 August 2021 became effective on 13 August 2021.

2. The project has 4 components are as follows:

Targeted Outcome 1.1	Rightsholders (individuals and groups) are willing and able to work on their own empowerment	64 peer educators of whom 50% are female and of whom 32 are the elderly on Nakai Plateau  15 elderly in Sisattanak District, Vientiane Capital
Output 1.1.1	Rightsholders (individuals and groups) indicate increased confidence to raise their voice	1200 youth and elderly in 16 target villages on Nakai Plateau. (from baseline and end line survey)
Targeted Outcome 1.3	(Informal) groups, organisations and networks have (increased their) capacity to use a range of tools and instruments to influence key decision makers	16 Informal groups/elderly clubs, organisations and networks report a benefit by using a diverse set of tools and instruments to influence other social actors
Output 1.3.1	(Informal) groups, organisations, networks have defined a plan to strengthen their capacity to influence decision makers.	16 Peer-to-peer exchanges conducted  16 Trainings provided to rightsholders groups

*\*Voice team and grantees potentially check this table together later once again, which could be leading to the revised/updated #(number).*

3. The Voice is required the financial statements the project for the period 31 August 2021 to 31 December 2023 (lifespan) audited by the international audit firm that have business licenses, Tax certification of 2022, authorized and recognized by the Ministry of Finance of Laos.

4. The Namjai Community Association is seeking the services of an independent external auditor to carry out audits of the project's financial statements. The auditor will be appointed to conduct audits for the grant from 13 August 2021 to 12 December 2023.

5. The continued engagement of the auditor is subject to satisfactory performance and the timely submission of audit reports in accordance with the grant agreement.

## II. OBJECTIVES

6. The objectives of the audit of the project financial statements are to enable the auditor to express opinions on

- (i) whether the project financial statements (including the notes thereto and supplementary statements) present fairly, in all material respects, (or give a true and fair view of) the grant financial position as at accounting year-end, and its cash flows for the years then ended, in conformity with the accounting standards acceptable to the Voice,
- (ii) whether the proceeds of the grant were used for the intended purpose, and
- (iii) whether the project has complied with the covenants stated in the grant agreement.

## III. ACCOUNTING STANDARDS

7. The financial statements will be prepared on a modified cash basis of accounting in accordance with the Namjai Community Association financial guidelines with acceptance of the Voice.

## IV. MANAGEMENT RESPONSIBILITY

8. The Namjai Community Association is responsible for preparing and fairly presenting the project financial statements in accordance with the NCA financial guidelines and including adequacy of disclosure, and ensure that the financial statements are free from material misstatement, whether due to fraud or error.

9. The Namjai Community Association management is also responsible for written representations made connection with the audit to confirmation concerning that the funds were used only for the purposes of the project, for compliance with financial covenants, and for ensuring that effective internal controls including over the procurement process are maintained.

10. The project's books of accounts provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the activities. This includes maintenance of adequate accounting records and supporting documentation for transactions, selection and application of accounting policies, and safeguarding of project assets.

11. Namjai Community Association applies QuicBooks accounting Software to record the financial transactions. The financial statements are resented in LAK. The accounts are set up in 2 accounts/companies, LAK and USD currencies. The transactions are recorded in 2 currencies. The LAK

recorded into the LAK accounts and USD currencies into the USD account. The USD transactions on USD accounts are converted into LAK currency by using the average exchange rate of the year.

## V. AUDITING STANDARDS

12. The auditor will carry out the audit in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC).

## VI. AUDITOR RESPONSIBILITY

13. The auditor is responsible for forming and expressing an opinion on the project financial statements in accordance and audit with the International Standards on Auditing (ISA) issued by the International Federation of Accountants (IFAC) as required by donor and that stated on the grant agreement. As part of the audit process, the auditor may request from the Namjai Community Association (NCA) written confirmation concerning representations made in connection with the audit.

14. In the conduct of the audit, the auditor is expected to:

- Plan and perform the audit to reduce risk to an acceptably low level, including risks of material misstatements in the financial statements whether due to fraud or error,
- Design and perform audit procedures, and evaluate and report the results thereof including any noncompliance with laws and regulations,
- Communicate matters of governance arising from the audit of financial statements,
- Carry out tests to confirm compliance with the grant agreement covenant, such as:
  - Grant funds have been received and used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided,
  - Goods, works, and services financed have been procured and project expenditures have been incurred in line with the grant agreement,
  - Assets and inventories procured from grant funds exist and there is verifiable ownership in accordance with the grant agreement,
  - All necessary supporting documents, records, and accounts have been maintained in respect of all project activities or in accordance with the financial guidelines,
- Review the activities of the project's designated account including deposits received, payments made, interest earned, exchange rates used, and reconciliation of period-end balances, and
- Review and assess the methods used to compile the reports, ascertain that the information given in the reports accurately reflect the underlying records, documents and books of accounts, and verify that the information in the reports reconcile with the annual financial statements.

## VII. AUDIT SCOPE AND REPORTING

15. The auditor is required to deliver an audit report in the English language comprising:

### A. AUDITOR'S REPORT AND OPINION ON THE FINANCIAL STATEMENTS

**The auditor's report and opinion on the financial statements are included:**

- (i) The auditor must submit the audit report that included audited financial statements and management letter by 25 March 2024.

- (ii) The external auditor's report must also contain an assessment of the organization's internal control system.
- (iii) The auditor's report must provide the following statements reasonable assurance over whether the audited project financial statements including the notes thereto and supplementary statements give a true and fair view of the financial expenditures of the Grant is compliance with the covenant on the Grant agreement.

#### **B. AUDITED PROJECT FINANCIAL STATEMENTS**

The audited project financial statements are comprised of the following:

- Statement of Financial Position
- Statement of Fund Receipts and Payments
- Statement of Comparison of Budget and Actual Amounts
- Notes to the Financial Statements

#### **C. MANAGEMENT LETTER**

A management letter providing the auditor's observations and findings on accounting records, systems and internal controls that were examined during audit, including:

- Weaknesses and issues in accounting and internal control systems, including irregularities in the use of grant funds, ineligibility of expenditures, and procurement-related weaknesses and issues.
  - Auditor's assessment of the causes, and recommendations to improve or rectify the identified weaknesses and issues.
  - NCA's management's responses to the weaknesses and issues including explanations of the causes, proposed action plan to address the concerns, and the timeline for completion.
  - Status of weaknesses and issues identified and reported in prior periods.
  - Any continuing or persistent issues and weaknesses, and follow-up actions taken.
  - Any matters the auditor considers pertinent or significant as to impact implementation.
- The audit period shall be in line with the project lifespan from **13 August to 31 December 2023**

16. All audit reports and Management Letter shall be submitted together with the audit report and audited financial statements to Namjai Community Association by **25 March 2024**

### **VIII. AUDITOR QUALIFICATIONS**

17. The audit firm must satisfy the following requirements:
- An Internal Auditing Firms registered, has authorization and approval as auditing firm in Lao PDR with a valid business license and annual tax certificate for the fiscal year 2022 granted by Tax Department.

### **IX. OTHER MATTERS**

18. The auditor is entitled to unlimited access to all legal documents, correspondences, project preparation and supervision reports, reports of reviews and investigations, financial management assessment reports, and any other information and explanations associated with the project and considered necessary to facilitate the audit. The auditor may also obtain written confirmation of amounts disbursed from the **Voice**.

19. The auditor is encouraged to meet with the Namjai Community Association to discuss audit-related matters including inputs to the audit plan. If requested, the NCA will also provide necessary information.

20. At conclusion of audit, the auditor will hold a closing meeting with the Namjai Community Association to obtain the NCA's comments on the accuracy and completeness of facts and conclusions, including whether or not NCA concurs with the audit findings. The closing meeting will be part of audit workpapers.

**Namjai Community Association (NCA)**



**Director**

**Minavanh Pholsena**

**CLOSING DATE FOR APPLICATION: 15<sup>TH</sup> January 2024**

To apply for this post:

Please submit your application to email: [ncalaos@ncalaos.org](mailto:ncalaos@ncalaos.org) , CC: [d.wannavong@ncalaos.org](mailto:d.wannavong@ncalaos.org)