

**TERM OF REFERENCE FOR AN EXTERNAL AUDIT OF PROJECT FINANCIAL
STATEMENTS FOR UNEP/GEF FUNDS
FROM JUNE 2016 TO 31 DECEMBER 2017**

TERMS OF REFERENCE

Project Title: “Strengthening national biodiversity and forest carbon stock conservation through landscape-based collaborative management of Cambodia’s protected area system as demonstrated in the Eastern Plains Landscape (CAMPAS Project)”

Project No: GFL/11207-14AC0003-SB006045

Ref: Terms of Reference for the Audit of project expenditure for UNEP/GEF funds

Component: 5

I. PURPOSE OF THE CONSULTANCY

Background

CAMPAS, short for ‘**Strengthening national biodiversity and forest carbon stock conservation through landscape-based collaborative management of Cambodia’s protected area system as demonstrated in the Eastern Plains Landscape**’, is a project funded by GEF Trust Fund. As its title suggests, the project holds the interconnected aim to improve the sustainability of Cambodia’s national system of protected areas, with the complementary objectives to mainstream biodiversity into production forests and promoting conservation of carbon stocks.

The project is delineated into two main components:

Component 1: Strengthened national vision and support for landscape-based protected area and forest management.

Component 2: Integrated landscape management to safeguard forests, biodiversity, and carbon stocks in the Eastern Plains Landscape.

The project design comprises two major outcomes, one at the national level and a supportive outcome at the demonstration site level. At the national level CAMPAS comprises three specific outputs, all oriented to strengthen unity and support for landscape-based protected area and forest management that explicitly addresses national system level issues through measures that include establishing the enabling environment at national level, through communications and awareness, strengthening protected area governance involving inter-agency cooperation, and demonstrating sustainable financing options. At the demonstration site level, the CAMPAS’s four outputs will deliver a sub-regional planning approach for the Eastern Plains Landscape that integrates protected areas and biodiversity conservation into sustainable development – with specific focus on forested landscape connectivity. At this level it also focuses on integrating forest conservation with sub-regional economic development planning, trying to resolve issues presented by economic land concessions that often ignore and impact upon protected areas, and

harnessing integration opportunities with other landscape-level initiatives like those of the Asian Development Bank Biodiversity Conservation Corridors and United Nations Environmental Program Adaptation Fund projects.

The total project budget is **19,288,772 USD for the period of 60 months**. The project will be executed by the **Ministry of Environment** and implemented by United Nations Environment Programme (UNEP) in close cooperation with other NGOs partners and stakeholders.

Purpose

The Audit firm will be undertaken under the Project's Component 5. The purpose of the Audit is to conduct financial statement and donor's compliance audit of the Project for the financial period from JUNE 2016 to 31 DECEMBER 2017.

II. AUDIT OBJECTIVES

1. The overall objective of the audit is to assess the management of the Project operations with the view of obtaining reasonable assurance towards the achievement of the project objectives. The areas of focus include:
 - a) Effective, efficient and economical use of resources;
 - b) Reliability of reporting;
 - c) Safeguarding of assets; and
 - d) Compliance with applicable legislation.

2. The purpose of the audit is to provide reasonable assurance that:
 - a) Donor contributions and project expenditure are properly accounted for;
 - b) Project expenditure were incurred in accordance with the provisions of the legal agreement, and are supported by adequate documentation;
 - c) The related financial statements prepared by the Project for the year under review present a fair view of the operations.

III. AUDIT SCOPE

The designated auditors are required to conduct the audit in accordance with the International Standards on Auditing and the Cambodian International Standards on Auditing.

The audit will review the budget and expenditure process and ascertain if the expenditure are in line with the objectives and activities set out in the project document. The audit will see whether the funds shown in the accounts as having been charged to the project were available for and applicable to the service or purpose to which they have been charged and the expenditure conforms to the authority which governs it.

In particular, the scope of work will include a review of the areas listed below:

- a) GEF funds were covered by the scope of the audit;
- b) Proper books of account have been maintained;
- c) All project expenditures are supported by vouchers and adequate documentation;
- d) Expenditures have been incurred in accordance with the objectives outlined in the project document and contracts issued in line with procurement rules and regulations of the NEA

- e) The expenditure reports provide a true and fair view of the financial condition and performance of the project.
- f) The internal controls are in place

IV. TIMETABLE

The tasks that will be done by audit firm need to be completed as timeline bellow:

- a) Audit fieldwork: Third week June 2018
- b) Delivery of draft report: Fourth week June 2018
- c) Delivery of final report: First week of July 2018

V. REPORT

The designated auditors shall submit the following reports to NEA.

- Two separate audit reports are required, one for the 6 months period from June to 31 December 2016 and the one for the period from 01 January to 31 Dec 2017.
- Providing an audit opinion on the financial statements of the Project for the audited period.
- Provide Management Letter stating out an assessment of the internal controls and management of the project operations, as per each area mentioned in the Audit Scope along with audit findings and recommendations for improvement.
- The reporting currency is United States Dollars (US\$) and the reports will be submitted in English or translated into English by the NEA. The Audit firm to include a comment on exchange rate principle applied by the NEA.

VI. LOCATION OF FINANCIAL REPORTS AND DOCUMENTS

1. The financial documents and financial reports of the Project are kept at NEA office of Department of Biodiversity, General Secretariat of the National Council for Sustainable Development, Ministry of Environment at Morodok Techo Building (Lot 503, Tonle Bassac, Chamkarmorn, Phnom Penh, Cambodia)

VII. PROJECT FINANCIAL INFORMATION

The bellow tables are the annual budget and actual expenditures of the Project as at 31 December 2017.

Period covered	Budget	Actual expenditures
01/06/2016-31/12/2016	\$ 861,534.00	\$ 30,720.65
01/06/2016-31/12/2016 (IN-KIND)		\$ 15,505.00
01/06/2016-31/12/2016 (IN-CASH)		\$ 7,438.64
TOTAL	\$ 861,534.00	\$ 53,664.29

Period covered	Budget	Actual expenditures
01/01/2017-31/12/2017	\$ 1,848,933.00	\$ 215,935.35
01/01/2017-31/12/2017 (IN-KIND)		\$ 15,505.00
01/01/2017-31/12/2017 (IN-CASH)		\$ 7,438.64
TOTAL	\$ 1,848,933.00	\$ 238,878.99

VIII. AUDIT FEES

The professional service fee of audit for the Project will be under Project responsibility.

Note: The fee shall include the “outlays” or miscellaneous expense such as report binding of each financial reports and management letter (or internal control report), photocopy, stationery, telephone, fax charges, courier, traveling, project charges and other incidental expenses.

IX. AUDIT PROPOSAL

The audit proposal shall include the following:

- Brief approach and methodology
- The names and positions of all employees that will perform the relevant services, together with detailed curriculum vitae (CVs) of proposed candidates;
- An estimate of the number of work days necessary for the performance of the relevant services for each proposed personnel.
- Proposed plan/schedule/timeline for the performance of the audit for each of the executing agency and sub-grantees
- Previous experience with similar projects
- Please provide fees for each identity

The Project will evaluate the bids based on best value, i.e., best quality and cost-effectiveness of the proposed offers. The following aspects will be considered for the evaluation:

- Suitability of the approach and methodology including firm’s capacity to undertake the service during the expected schedule.
- Qualifications and suitability of the candidates proposed for the assignment including their previous experience with same type of assignment.
- Cost-effectiveness of price quotation.

X. HOW TO APPLY OR EXPRESS INTEREST

Any international standard audit firm interested to provide the service shall submit the quotation or proposal to the Project as below:

1. Attention to: **H.E Somaly CHAN, (NPD)**
2. Contact Address: Department of Biodiversity, General Secretariat of the National Council for Sustainable Development, Ministry of Environment at Morodok Techo Building (Lot 503, Tonle Bassac, Chamkarmorn, Phnom Penh, Cambodia)
3. Contact Person: **Ms. KEN Bopreang (NPC)**
Tel: +855 (17) 53 56 46, Email: preangk@gmail.com
Deadline: June 19, 2018 at 4:00 pm.

