

Annex 1 TOR template

CENTER FOR DEVELOPMENT AND INTEGRATION

TERMS OF REFERENCE FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF CDI FOR THE FISCAL YEAR 2025

1. Background

Center for Development and Integration ("CDI") is a science and technology organization, non-profit activity, established under Decision No. 04/CATBD-QD dated 8 April 2005 of the Asia-Pacific Economic Center and operating under the Science and Technology Activities Registration Certificate No. A-399 initially issued by the Ministry of Science and Technology on 5 August 2005 and the 4th amendment on 01 December 2025.

CDI operates in the following areas:

- ▶ Scientific research and implementation of topics and projects in the fields of education, budget, administration, information and data management, labor and employment, social security, environmental protection, development agricultural development, rural development and gender equality;
- ▶ Science & Technology Services: Consulting, organizing scientific conferences and seminars, providing information, compiling documents, training and improving professional qualifications in the fields mentioned above;
- ▶ Cooperate with domestic and foreign organizations and individuals to perform CDI's tasks.

CDI's head office is located at No. 176, Thai Ha street, Dong Da ward, Hanoi.

Office address: 16th Floor, No. 169, Nguyen Ngoc Vu street, Yen Hoa ward, Hanoi.

2. Scope of Work:

CDI is seeking to carry out an audit of its financial statements for the period 01 January 2025 to 31 December 2025. The audit will cover all expenditure and revenue for the period and examine the system of internal controls

The objective of the audit is to express and opinion on whether:

- The Financial report presents fairly, in all material aspects, the actual expenditure incurred and revenue received for the projects in conformity with the applicable contractual conditions.
- The project funds been used in conformity with the applicable contractual conditions.
- The organisation funds have been used for the purposes intended
- The internal control system established and used by the project to manage significant risks related to the achievement of projects objectives was adequately designed and functioned effectively.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following:

- a) **Fraud and Corruption:** Consider the risks of material misstatements in the financial report due to fraud as required by ISA 240. The auditor is required to identify and assess these risks (of material misstatement of the financial report) due to fraud, obtain sufficient

appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;

- b) **Laws and Regulations:** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations that may materially affect the financial report as required by ISA 250. Consideration of Laws and Regulations in an Audit of the Financial report;
- c) **Governance:** Communicate audit matters of governance interest arising from the audit of the financial report with those charged with governance of an entity as required by ISA 260: Communication of Audit Matters with those Charged with Governance.
- d) **Risks:** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by ISA 330: the Auditor's Procedures in Response to Assessed Risks.

In planning and conducting the tests of compliance, the auditors should;

- i. Confirm that payments have been made in accordance with agreement terms and applicable laws and regulations.
- ii. Determine if funds have been expended for purposes not authorized or not in accordance with applicable agreement terms. If so, the auditors must question these costs in the fund accountability statement.
- iii. Identify any costs not considered appropriate, classifying and explaining why these costs are questioned.
- iv. Determine if items, exist or were used for their intended purposes in accordance with the terms of the agreements. If not, the cost of such commodities must be questioned.
- v. Determine whether any technical assistance and services procured by the recipient were used for their intended purposes in accordance with the agreements. If not, the cost of such technical assistance and services should be questioned.
- vi. Determine whether those who received services and benefits were eligible to receive them.
- vii. Determine whether the recipient's financial reports and claims for advances and reimbursement contain information that is supported by the books and records.
- viii. Verify that there are no incidences of double funding of similar objectives with other co funders
- ix. On a sample basis, validate expenditures at the sub-grantee level.

3. Expected Deliverables/outputs

Report by the Auditors

The report is intended for the information of the Donors and management of the CDI. The opinion expressed in the report will address whether:

- a) The financial report present fairly the net expenditure of the project for the year and the financial position at the year-end. In expressing this opinion, the auditor must consider whether proper accounting records have been maintained in each case, and whether the financial statements are

in agreement with these records

- b) The financial report complies with the financial procedures of the Project as stated in the financial policy / procedures manual and the procurement procedures.
- c) The control system established and used by the project to manage risks related to the achievement of project objectives was adequately designed and functioned effectively.

Management letter/Internal Control Letter

In addition to the audit report, the auditor will prepare a “Management Letter” for the board and management of the organisation. In all cases, a management letter **MUST** be issued. If no issues have arisen during the course of the audit, the auditors must issue a management letter stating that no issues have arisen. The management letter should:

- a) Give comments and observations on the accounting records, systems and controls that were examined during the audit;
- b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
- c) Include management responses from management to issues arising and recommendations made, ensuring that:
 - The auditors will bring matters to the attention of management as they arise and seek clarification and/or management’s comments during the course of the audit.
 - Management responses should provide an explanation of the causes of the issue and a plan of action to address the matter
- d) Communicate matters that have come to the auditor’s attention that might have a significant impact on the implementation of the program.
- e) Refer to any other matters that the auditor considers relevant.
- f) The management letter must include a review of the issues raised in the previous year’s management letter and a status report on progress/follow up achieved if applicable.
- g) Include a high, medium or low prioritization on all issues arising in the management letters. Ranks should be allocated according to the following criteria:
 - High - a major weakness or a recurring issue that must be addressed soon
 - Medium - an important matter that will significantly improve the control environment, the accounting system or the operations of the business but is not so serious or prevalent as to be considered a major weakness
 - Low - a minor (or isolated) weakness that should nevertheless be addressed to improve the control environment, the accounting system or the operations of the business.

4. Responsibilities and Due Date of Deliverables

The Audit firm will conduct an audit of *the financial statements of CDI for the fiscal year 2025* as per the objectives and provide assurance on the financial report for all costs incurred by the CDI, including the opinion and notes. The financial report will be in English and Vietnamese. The final signed Audit reports should be submitted by **31 July 2026**.

CDI will provide the required documentation and information to facilitate the audit.

5. Competencies required.

Only qualified audit firms are required tender for this assignment. The competencies required for this assignment are as below;

- Evidence of ten years' experience in auditing similar assignments
- Consultants with professional accounting qualifications including ACCA, CPA or CA
- Staff proposed should demonstrate experience with similar assignments

6. Selection Criteria

The tender submission will be assessed against the following criteria.

Technical criteria. (80%)

- a) Outline of the audit approach and methodology to undertaking the assignment
- b) Relevant Experience
- c) Profile of staff proposed for the assignment/ team organization

Financial criteria. (20%)

Detailed quotation for the audit, showing hours and costs by grade

7. Requirements from the Auditor

a) A technical Proposal

Provide a technical proposal of not **more than 15 pages** detailed the firm experience and competencies of the staff to be assigned on this audit.

b) A financial proposal for the assignment

Provide a detailed quotation for the audit, showing hours and costs by grade in VND currency. Details of charges relating to lead partner, engagement partner, manager, and audit staff must be shown separately in the table below. Costs (travel, meals and lodging) must be detailed and must be fixed for the period of the engagement.

c) Demonstrated capability to undertake this assignment.

Profile of staff proposed for the assignment/ team Organization and relevant experience in carrying out audit for donor funded projects.

8. Conflict of Interest

Tenderers must disclose in their submissions details of any circumstances, including personal, financial and business activities that will, or might, give rise to any conflict of interest associated with any current or previous engagement/programme undertaken, or any relationship that may reasonably be perceived to potentially conflict or impact on their ability to participate in the Tender Process or fulfil the requirements of the engagement. This also includes any sub-contractor.

Failure to disclose a material conflict of interest may disqualify a Tenderer or cause the termination of any subsequent contract and entitle the CDI to seek remedies, such as cost or compensation for loss.

Where Tenderers identify any potential conflicts they should state how they intend to avoid such conflicts. The CDI reserves the right to reject any submission which, in the CDI opinion, gives rise, or could potentially give rise to, a conflict of interest.

Tenderers or any of their affiliates shall not be assigned any engagement which, by its nature, may be in conflict with another engagement of the applicant. The CDI may accept the participation of a consultant that has been engaged in the preparation of a project if it can be demonstrated that no unfair advantage is given to the consultant and that the tendering process offers equal opportunities to all Applicants. A declaration form (Appendix 1) must be signed to this effect

9. How to Submit Technical Proposals/Audit Units

Interested audit firms are requested to submit their proposals as PDF files to Ms. Nguyen Hoang Nga, Head of Finance and Administration, at the email address nga.nguyenhoang@cdivietnam.org

The proposal should include the following:

An email expressing interest, including a proposed audit fee;

A summary of the audit firm and experience in conducting similar audits;

An outline of the approach and methodology;

Profiles of the proposed staff member in charge of the audit;

Application deadline: 5:00 PM, June 26, 2026

For further information, please contact:

Ms. Nguyen Hoang Nga,

Center for Development and Integration (CDI)

Address: 16th Floor, 169 Nguyen Ngoc Vu Street, Yen Hoa Ward, Hanoi

Phone: 0243 5380100

Email: nga.nguyenhoang@cdivietnam.org

Appendix 1 - Tenders Identification Form

“Call for tender of XXX)

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1. FOR SINGER TENDERER

Tender submitted by

Name of legal entity ¹	
Registered address	
Tax registration number	
Website	
Email address	

Contact person

Full name	
Position/Function	
Office address	
Telephone	
E-mail address	

The person authorised to represent the tenderer and to sign the contract

Full name	
Position/Function	
Office address	
Telephone	
E-mail address	

2. STATEMENT

I, <name>, the undersigned, being the authorised signatory of the above tenderer, hereby declare that we have examined and accepted, without reserve or restriction, the terms and conditions included in the Call for tenders and its Annexes.

We propose to provide the requested services on the basis of our offer.

Signature

Name

Date

¹ Please indicate the official name of the company/organisation/institution etc.

Appendix 2 - Tenders Declaration Form

<Date>

<Name and address of Contracting Authority >

Subject: *Call for tenders for xxxx*

TENDERER'S DECLARATION

Dear Sir/Madam,

In response to your letter of invitation for the above contract I, < Name and position of authorised representative>, hereby declare that we:

are submitting this tender for this contract. We confirm that we are not participating in any other tender for the same contract in any form (as in a consortium or as an individual candidate);

we also confirm that we shall take all measures to prevent any situation where the impartial and objective implementation of the contract is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('conflict of interests'). We will inform the Contracting Authority immediately if there is any change in the above circumstances at any stage during the implementation of the tasks;

we accept that during the implementation of the contract and for four years after the completion of the contract, the supplier must keep confidential any data, documents or other material that is identified as confidential at the time it is disclosed ('confidential information').

we accept that during the implementation of the contract and for four years after the completion of the contract, the Contracting Authority has the right for the purposes of safeguarding the its financial interests, the proposal and the contract of the supplier may be transferred to internal as well as external audit services.

We understand that if the information provided is proved false, the award may be considered null and void.

Yours faithfully,

<Signature of authorised representative>