

TERMS OF REFERENCE FOR EXTERNAL AUDIT

1. INTRODUCTION

ABOUT COWATER INTERNATIONAL

Cowater International is a leading global development consulting company, and has successfully delivered a portfolio of over 2500 projects and assignments in more than 95 countries. We work with governments, private sector actors and communities implementing projects that support socio-economic development, institutional strengthening, environmental improvements and advance equal opportunities for all. We are a diverse and experienced team committed to building a better tomorrow for the people we serve.

ABOUT THE GREAT PROGRAM

GREAT, a 10-year flagship initiative of Australian Government, managed by Cowater International since 2016, focuses on women's economic empowerment in Vietnam's ethnically diverse north-west region. Utilising a market systems development approach, it primarily benefits women in Son La and Lao Cai provinces, particularly targeting ethnic minority communities, which are home to twelve and twenty-six ethnic groups respectively.

The objectives of the GREAT Program are:

- **Objective 1:** Women, particularly ethnic minority women living in Son La and Lao Cai provinces have improved economic benefits.
- **Objective 2:** Women, particularly ethnic minority women living in Son La and Lao Cai provinces, have increased confidence and social status, including more balanced workloads and greater decision making within the home, workplace, and community.
- **Objective 3:** Women, particularly ethnic minority women and household members living in Son La and Lao Cai provinces benefit from more gender responsive, inclusive, and effective provincial and national policies, plans, strategies, and programs.

The program is in its second five-year phase and GREAT 2 will continue its focus on agriculture and tourism, identifying specific sectors that lend themselves to opportunities for women's economic empowerment and work with multiple stakeholders to address constraints, generate opportunities, drive market growth and increase productive value of the sector. A limited number of agriculture sectors will be targeted, in addition to tourism. Cross-sector strategies such as women, access to finance, digital transformation, policy advocacy and behaviour change will complement the sector strategies.

The GREAT program – in the form of 25 Partnership Agreements - has partnered with 23 partners including lead partners and technical assistance partners from private sector, governmental agencies, research agencies, training institutions, local and international NGOs and multilateral organizations to deliver results.

Cowater is the managing contractor of the GREAT Program and is seeking to recruit a highly qualified audit firm to conduct services as per this TOR including (i) the audit in accordance with ISA800 - Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks

and (ii) agreed-upon procedures (AUP) engagement under ISRS4400 (revised). The list of partners to be audited is specified under Annex 1 of the TOR.

2. THE FINANCIAL AUDIT IN ACCORDANCE WITH ISA800

2.1 Objective of the audit

The Audit Firm shall plan and conduct the audit in compliance with the International Standards on Auditing (ISA). The objectives of the audit are:

- **Examination of the financial regularity**, through the control and evaluation of the exactness, exhaustiveness and fairness of the various accounting transactions, either in full or by sampling, according to need and risk evaluation (before and during the course of the audit).
- **Examination of the conformity with project objectives and observance of the contract conditions**, through the control and evaluation of transactions, expenditures and receipts compared with the basic project documents, and interviews with the project management team (project description, program activities, contracts, budgets, etc.).
- **Examination of the economical conduct of business and effective use of financial resources, through the control and evaluation of:**
 - ✓ Minimisation of the cost of the resources utilised for the activities, always ensuring an appropriate quality and no budget line over spent; and
 - ✓ Comparison of expenditures with corresponding budget positions and the control and evaluation of any explanations for divergences.
- **Examination of the appropriateness, the relevance, and the functioning of the Internal Control System in accordance to the program Partnership Agreement and internal control documentation of the Partner**, through the control and evaluation of the:
 - ✓ Internal organisation (structures, functions, tasks, authority, responsibilities, methods, procedures, etc.);
 - ✓ Existence, respect and application of laws, regulations and instructions;
 - ✓ Protection of resources and assets;
 - ✓ Prevention of errors and fraud; and
 - ✓ Quality and viability of the information system and the reporting.

2.2 Detailed description of the financial audit

2.2.1. Obtaining the declaration of full disclosure to be supplied by the management of the audited organization

The auditor shall obtain a written declaration signed by the management of the audited organisation, certifying:

- a) the acknowledgement of the organisation's responsibility for the keeping of accounts and financial documents that are correct, complete, fair, representing the true facts, in conformity with the objectives of the project, the documents of reference (description of the project, contracts, budgets, etc.) and national legislation;

- b) that all accounting records, supporting and other documents, minutes and any pertinent information necessary for the audit be at the disposal of the auditor;
- c) the completeness of information concerning property and goods;
- d) the completeness of information concerning financing received or due and own financing concerning the audited period, for the project being audited; and
- e) the availability for supplying any information and explanations, either orally or by written confirmation, which might be required by the auditor in the execution of his mandate.

2.2.2. General Controls

The Auditing Firm's assignment shall include the following tasks:

- Give an opinion on the Statement of Fund advanced/Received:
 - ✓ To verify that a separate bank account is kept exclusively for the project as required by the Program Partnership Agreement; and
 - ✓ To examine income for the Project, to verify especially the accuracy and completeness of records and evidence of the proper recording of exchange transactions from foreign into national currencies;
- Give an opinion on the Statement of Expenditures:
 - ✓ To verify that the expenses incurred were in conformity with the approved project budgets;
 - ✓ To verify that the expenses incurred were for the approved purposes of the project;
 - ✓ To examine whether the expenses incurred were in compliance with the relevant regulations and rules, policies and procedures of the GREAT Program specified in the Partnership Agreement; and
 - ✓ To examine whether the expenses incurred were supported by properly approved vouchers and other supporting documents.
- Give an opinion on the Statement of Fund Acquittals and Balance
 - ✓ To verify the Acquittal Expenditures and the fund balances; and
 - ✓ To examine the notes to Acquittal and Non- Acquittal expenditures.

In conducting the audit, special attention should be paid to check and collect evidence of fraud, corruption, and/or misuse of funding, if any.

2.3 Audit report

The format of the report for each partner must comply with the format prescribed by ISA 800 and defined in 2.3.4. Only with regard to confirmations under section 2.3.4 a and b is an audit opinion also admissible in accordance with ISAE 3000.

- 2.3.1 Brief description of the audited organisation and project, objectives of the project, period covered by the audit.
- 2.3.2 Objectives and extent of the audit.
- 2.3.3 Declaration of full disclosure delivered by the project management or the organisation audited.

2.3.4 Opinion of the auditor on the financial statements of the project upon the following:

- a. Compliance with the Program Partnership Agreement;
- b. Use of the project funds exclusively for purposes of the project and in accordance with the Program Partnership Agreement; and
- c. Whether the financial statements show a true and fair view of the income and expenditure and the financial position of the project.

If the auditor has to qualify opinion c) or identifies material exceptions to opinions a) and b), full details shall be given in the audit report

2.3.5 Annual Financial Report of the project including:

- a. Statement of Fund advanced/Received
- b. Statement of Expenditures
- c. Statement of Fund Acquittals and Balance including notes to unacquitted expenditures

2.3.6 Management Letter

For each individual partner, the Management Letter should include the following:

- A general assessment of the Project's internal control
- A description of any specific weaknesses, evidence of fraud, corruption, misuse of funding 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. Recommendations should be directed to a specific entity so that there is no confusion regarding who is responsible for implementation.
- The Management response from the Project should be included in the Management Letter, immediately following the recommendation.
- In addition, the auditor may wish to comment on "good practices" that should be shared with the Project.

At the program level: The Auditing Firm shall prepare a summary report which provides all key findings and areas of common issues, their implications and potential risks, and recommend to GREAT on detective and preventive measures to mitigate any weaknesses.

2.3.7 Currency and Language

The financial information contained in the audit report is to be expressed in AUD and VND. All the documents are written in Vietnamese and English.

2.3.8 Signature

The audit report is signed by the person responsible for the audit, as well as by the legal representative of the firm of auditors.

3. AGREED UPON PROCEDURES (AUP) UNDER ISRS4400 (REVISED)

3.1 The objective

The objective of this engagement is to perform specific, factual verification procedures agreed between Cowater and the Auditing Firm relating to the reported **outputs and outcomes** of the Project in accordance with the Partnership Agreement. The Auditing Firm will not express an audit opinion or review conclusion. Instead, the auditor will present factual findings from the agreed procedures to assist the intended users in evaluating the reliability of reported results

3.2 Scope of work

The engagement will cover verification of project results as presented in the progress, monitoring and final reports. The agreed-upon procedures for the relevant project will be communicated to the auditor once the audit contract is awarded. These procedures may include, but are not limited to:

3.2.1 Verification of Outputs

- Review documentation supporting reported outputs (training attendance sheets, photos, meeting minutes, distribution lists, delivery notes, etc.).
- Conduct site visits to verify existence and condition of physical outputs (equipment, facilities, materials delivered).
- Confirm numbers of beneficiaries reached through sample verification (cross-check lists, interviews, or confirmations).

3.2.2 Verification of Outcomes

- Review monitoring data, surveys, or progress indicators.
- Interview beneficiaries, village/cooperative leaders, officials at commune and provincial level (if relevant) or other stakeholders to confirm reported outcomes.
- Cross-check outcome indicators with third-party or secondary data (where applicable).

3.2.3 Compliance with partnership agreement

- Verify alignment of reported outputs/outcomes with approved result framework and workplan.

3.3 Agreed upon procedures report

The Auditing Firm shall prepare an **Agreed-Upon Procedures Report** in accordance with ISRS 4400 (Revised), which will include:

- A description of the procedures performed.
- Factual findings for each procedure.
- A clear statement that no assurance or opinion is provided
- Restriction of use (report intended only for Cowater and DFAT)

The Auditing Firm shall prepare a Management Letter at the Program level (if applicable), highlighting weaknesses or irregularities observed during the engagement.

4. DOCUMENTS FOR REFERENCE

The following documents are considered as basic references for carrying-out the audit:

- Program Partnership Agreements relative to the project or to the audited organisation;
- All accounting documents subject to the implementation of the Partnership Agreement;
- Financial and progress, monitoring and final reports; and
- Any other information required or requested by the Auditor.

5. TENTATIVE SCHEDULE

5.1 Audit field work

- Schedule 1: November 2025 for the period from the effective date of the Partnership Agreement to 30/06/2025
- Schedule 2: July 2026 for the period from 01/07/2025 to 30/06/2026
- Schedule 3: (to be defined) for the period from 01/07/2026 until the end of the projects

The number of audits for each partnership agreement, in line with the audit schedule, is specified in Annex 1

5.2 Reporting

The reports must be submitted within one (1) month upon completion of audit field work.

5.3 Location

The audit must be carried out within the Program partners' premises and project field sites.

6. REQUIREMENT OF THE AUDITING 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. It is required that the auditor disclose any relationship that might possibly compromise his/her independence.

The auditor should be experienced in applying ISA, whichever is applicable for the audit. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience with ISA, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

7. Eligibility criteria

- Legally established company governed by private law in the field of auditing.
- Registered to operate in Vietnam.
- At least five (05) years of experience in auditing development projects.
- Annual turnover of at least 500,000 AUD
- A minimum of three audit contracts implemented during the last five years with contract value of over 150,000 AUD each

- Minimum personnel requirement: 01 Audit Partner, 01 Audit Manager, 02 Senior Auditors and 04 Auditors

Audit Partner:

- University graduate in accounting/finance/auditing;
- Certified auditor certificate by the Ministry of Finance and/or international certificate (ACCA or other G-20 recognized international accounting/auditing certificate);
- At least 15 years experience working in auditing services;
- Experience as Audit Director for at least 3 audit contracts of NGO/development cooperation projects; and
- Fluency in English is compulsory.

Audit Manager:

- University graduate in accounting/finance/auditing;
- Certified auditor certificate by the Ministry of Finance and/or international certificate (ACCA or other G-20 recognized international accounting/auditing certificate);
- At least 10 years experience working in auditing services;
- Experience as Audit Manager for at least 3 audit contracts of NGO/development cooperation projects; and
- Fluency in English is compulsory.

Senior Auditor:

- University graduate in accounting/finance/auditing;
- Certified auditor certificate by the Ministry of Finance and/or international certificate (ACCA or other G-20 recognized international accounting/auditing certificate);
- At least 5 years experience working in auditing services;
- Experience as Senior Auditor for at least 3 contracts of NGO/development cooperation projects; and
- Fluency in English is compulsory.

Auditor:

- University graduate in accounting/finance/auditing;
- Certified auditor certificate by the Ministry of Finance and/or international certificate (ACCA or other G-20 recognized international accounting/auditing certificate);
- At least 2 years experience working in auditing services;
- Experience as Auditor for at least (03) audit contracts for NGO/development cooperation projects; and
- English proficiency would be preferable.

ANNEX 1

No.	Project	Lead Partner	Technical Assistance Partner	Project title	Province	Duration (start/end date)	Partnership Agreement amount (AUD)	Audit services	Number of the audit	Audit location	
										Project Office (verification of supporting document)	Field work/ project site where key activities are conducted
1	PSB01	CRED Tourism and Agriculture Solution Consulting Company Limited	N/A	Developing Bamboo shoot sector in Son La province	Son La	01/04/2024 - 31/03/2027	1,172,027.00	AUP ISRS4400 (revised)	3	Hoang Dao Thy street, Hanoi	Bac Yen, Song Ma, Sop Cop, Quynh Nhai, Van Ho, Muong La district, Son La province (old address before 1/7/2025)
2	PLC03	Lao Cai Forest Protection Department	N/A	Promoting sustainable development of Lao Cai cinnamon	Lao Cai	01/04/2024 - 31/03/2027	893,147.00	Financial audit ISA800	3	Cam Duong ward, Lao Cai province	Lao Cai province (Bac Ha, Bao Yen, Bao Thang, Van Ban) (old address before 1/7/2025)
3	PSF04	Viet Rural Enterprise Development Center	N/A	Improve financial access & strengthen financial education for ethnic minorities and low-income women (AZFI) in Lao Cai	Son La	25/09/2024 - 31/03/2027	950,548.00	AUP ISRS4400 (revised)	2	Ngoc Ha ward, Hanoi	Son La province
4	PLB05	CRED Tourism and Agriculture Solution Consulting Company Limited	N/A	Developing Bamboo shoot sector in Van Ban, Lao Cai	Lao Cai	01/04/2024 - 31/03/2027	442,123.00	AUP ISRS4400 (revised)	3	Hoang Dao Thy street, Hanoi	Van Ban district, Lao Cai province (old address before 1/7/2025)
5	PLF06	Viet Rural Enterprise Development Center	N/A	Improve financial access & strengthen financial education for ethnic minorities and low-income women (AZFI) in Lao Cai	Lao Cai	12/06/2025 - 31/03/2027	754,443.00	AUP ISRS4400 (revised)	2	Ngoc Ha ward, Hanoi	Lao Cai province
6	PSI08	Clickable Vietnam LLC	N/A	Support to strengthening tourism destination management in Son La Province	Son La	01/05/2025 - 30/04/2027	1,353,146.00	AUP ISRS4400 (revised)	2	Tay Ho Ward, Hanoi	Moc Chau and Muong La district, Son La province (old address before 1/7/2025)
7	PLT09	Clickable Vietnam LLC	N/A	Support to strengthening tourism destination management in Lao Cai Province	Lao Cai	01/05/2025 - 30/04/2027	1,408,184.00	AUP ISRS4400 (revised)	2	Tay Ho Ward, Hanoi	Bac Ha and Bai Xai district, Lao Cai province (old address before 1/7/2025)
8	PLW10	Lao Cai Province Women Union	Supporting Green Development Company Limited, Ichange Center Company Limited	Promote business and leadership for women entrepreneurs in Lao Cai province	Lao Cai	01/06/2024 - 31/03/2027	566,381.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	3	Cam Duong ward, Lao Cai province	Lao Cai province
9	PLT11	KisStartup Joint Stock Company	N/A	Technical Assistance to strengthen Inclusive Digital Transformation Ecosystem for MSMEs in Lao Cai Province	Lao Cai	14/06/2024 - 31/03/2027	473,089.00	AUP ISRS4400 (revised)	3	Tay Ho Ward, Hanoi	Lao Cai province
10	PSI12	KisStartup Joint Stock Company	N/A	Technical Assistance to strengthen Inclusive Digital Transformation Ecosystem for MSMEs in Son La Province	Son La	14/06/2024 - 31/03/2027	599,971.00	AUP ISRS4400 (revised)	3	Tay Ho Ward, Hanoi	Son La province
11	PSW13	Son La Province Women Union	Supporting Green Development Company Limited, Ichange Center Company Limited	Promote business and leadership for women entrepreneurs in Son La province	Son La	17/06/2024 - 31/03/2027	562,560.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	3	Chiang Coi ward, Son La province	Son La province
12	PLD14	The Center for Investment, Trade Promotion and Business Support of Lao Cai Province	Economic Management Advisory Joint Stock Company	Improve the business environment in Lao Cai by enhancing the District and Departments Competitive Index during the 2024-2027 period	Lao Cai	14/05/2025 - 31/03/2027	390,561.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	2	Yen Bai ward, Lao Cai province	Lao Cai province
13	PSD15	Son La Investment, Trade and Tourism Promotion Agency	Economic Management Advisory Joint Stock Company	Improve the business environment in Son La by enhancing the District and Departments Competitive Index during the 2024-2027 period	Son La	23/10/2024 - 31/03/2027	390,561.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	3	To Hieu Ward, Son La Province	Son La province
14	PSF16	Department of Agriculture and Environment in Son La Province	CASRAD	Technical assistance for the implementation of production development support policies under the National Target Program in Son La province from 2024 to 2027	Son La	02/12/2024 - 31/03/2027	237,875.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	2	Chiang Coi ward, Son La province	Son La province
15	PSH17	Research for Education and Career Help Institute	N/A	Strengthening vocational skill training services and creating jobs in the tourism industry in Son La	Son La	02/01/2025 - 31/03/2027	587,852.00	AUP ISRS4400 (revised)	2	Cau Giay ward, Hanoi	Son La province
16	PLH18	Lao Cai College	RMIT University Vietnam LLC	Enhancing hospitality vocational training in Lao Cai	Lao Cai	30/05/2025 - 31/03/2027	554,373.00	Financial audit ISA800 and AUP ISRS 4400 (revised)	2	Lao Cai ward, Lao Cai province	Lao Cai province
17	PSI21	I/viet enterprise development solution company limited, Center for Research, Training and Consultancy for local development STG	N/A	Improve digital access and application for private sector, farmers and ethnic minority women in Son La province	Son La	27/06/2025 - 31/03/2027	362,914.00	AUP ISRS4400 (revised)	2	Nghia Do ward, Hanoi	Son La province
18	PLJ22	I/viet enterprise development solution company limited, Center for Research, Training and Consultancy for local development STG	N/A	Improve digital access and application for private sector, farmers and ethnic minority women in Lao Cai province	Lao Cai	27/06/2025 - 31/03/2027	380,236.00	AUP ISRS4400 (revised)	2	Nghia Do ward, Hanoi	Lao Cai province
19	PSM23	Vietrap Son La Pharmaceutical Joint Stock Company	N/A	Develop commercial medicinal plants in Son La	Son La	10/07/2025 - 31/03/2027	299,905.00	Financial audit ISA800	2	To Mua commune, Son La province	To Mua, Song Khua, Lien Hoa communes, Son La province (old address before 1/7/2025)
20		Care Australia	N/A	Proposal: Behavioural Change for Inclusive Markets in Lao Cai		not yet signed PA	665,000.00	AUP ISRS4400 (revised)	2		Lao Cai province
21	PSG19	Care Australia	N/A	Proposal: Behavioural Change for Inclusive Markets in Son La		not yet signed PA	665,000.00	AUP ISRS4400 (revised)	2		Son La province
22	PLV20	Endeva, XLABS	N/A	Proposal: Supply chain innovation and learning for ethnic minority women producers in Lao Cai		not yet signed PA	400,000.00	AUP ISRS4400 (revised)	2		Lao Cai province
23		Endeva, XLABS	N/A	Proposal: Supply chain innovation and learning for ethnic minority women producers in Son La		not yet signed PA	300,000.00	AUP ISRS4400 (revised)	2		Son La province
24		The Cooperative for Conservation and Development of Lai Chau Panax Variety	N/A	Proposal: Develop GACP-WHO Panax Vietnamensis in Son La province		not yet signed PA	267,364.00	Financial audit ISA800	2		Ngoc Chien, Muong La and Xin Vang communes, Son La province
25		VietRAP Investment Joint Stock company	N/A	Proposal: Production of quality medicinal seedlings in Lao Cai		not yet signed PA	187,960.00	Financial audit ISA800	2		Lao Cai province