

Terms of Reference for External Auditor

1. Background

Oxfam is a global movement of people, who are fighting inequality to end poverty and injustice. Our global confederation includes 21 member organizations working in 79 countries.

We share a vision of a just and sustainable world. A world where people and the planet are at the center of our economy. Where women and girls live free from violence and discrimination. Where the climate crisis is contained. And where governance systems are inclusive and allow for those in power to be held to account.

Oxfam in Vietnam believes that a reduction in poverty, injustice, and inequality will occur through the interaction between active citizens, accountable states and responsible private sector, and that it is fundamental to Vietnam's development. Oxfam in Vietnam contributes to a shift from the current growth-based development model to a Human Economy that cares about People and the Planet.

All our work is led by three core values: Empowerment, Accountability, Inclusiveness, Courage, Solidarity and Equality. To read more about our values please click [here](#)

The Oxfam Cambodia, Lao, Vietnam (CLV) Cluster was established in Apr 2022 as an internal management structure. Its purpose is to enhance impact and strategic delivery; strengthen connections between programs, people, resource, and knowledge, improve efficiency through shared system; and maximize energies among Oxfam in Cambodia, Laos, Vietnam and the broader Oxfam Asia region.

Within the CLV Cluster, each Oxfam country office is managed by a National Director, who reports directly to the Cluster Director. Operational procedure and new policies were developed to accommodate the changes from country operation to Cluster operation model, including derogations of authorities.

SAFER RECRUITMENT: Oxfam is committed to preventing any type of unwanted behaviour at work including sexual harassment, exploitation and abuse, lack of integrity and financial misconduct; and promoting the welfare of children, young people and adults. Oxfam expects all staff and volunteers to share this commitment through our code of conduct. We place a high priority on ensuring that only those who share and demonstrate our values are recruited to work for us. Offers of employment will be subject to satisfactory references and appropriate screening checks, which can include criminal records and terrorism finance checks.

2. Objectives

The objectives of the audit are to enable the Auditor to express an opinion on whether the financial statements, in all material respects, present a fairly view of the actual expenditure incurred and the revenue recognized for OiL (Oxfam in Lao) & OiV (Oxfam in Vietnam) Country Office for the period from 01 April 2025 to 31 March 2026.

We are seeking qualified audit firms to provide audit services under one of the following two options:

- Option 1 – Joint audit services for both country offices
Audit firms who have sufficient capacity in both countries may provide audit services for both OiL and OiV.
- Option 2 – Audit services for one country office only
Audit firms who do not have sufficient capacity to cover both offices may apply to provide audit services for either OiL or OiV only.

3. Scope

The audit will be carried out in accordance with ISA¹ auditing standards. Separate audit reports shall be issued for each country office.

The audit period is 01 April 2025 to 31 March 2026.

Responsibilities of the parties to the engagement are reflected in Annex A.

4. Audit Procedures

Compliant to the ISA200², the Auditor should exercise due professional care and judgment and determine the nature, timing and extent of audit procedures to fit the objectives, scope and context of the audit.

In conducting the audit, the auditor should:

- Express an opinion on the financial statements prepared by the Country offices;
- Verify the presentation of financial statements in compliance with accepted accounting and reporting principles, with Oxfam Novib International Finance Manual and all other relevant operating procedures in the Country office, and with statutory requirements;
- Verify the Country Office is appropriately registered and compliant with local laws and regulations;
- Analyze financial management and risk management processes and evaluate whether sufficient internal controls are in place and effective
- Certify that the funds were utilized for their intended purposes according to the terms in the annual budget, specific project budgets, annual work plans, etc., and in agreement with Oxfam Novib and donor requirements.

Special attention should be paid to:

- Quality of management oversight and internal controls (such as segregation of duties), and policies, procedures, and practices related to costs allocations and classifications;
- **Budgetary:** The budgetary procedures (establishing forecasts by activity/task or Output, conformity with the Annual Work plan forecasts, budgetary approvals and work plans by the responsible agent, budgetary amendments during the audit period, etc.);
- **The management procedures** of the funds (bank accounts, advances supported by forecasts and in conformity with Oxfam Novib's policy, petty cash safekeeping, bank reconciliation, control of receipts, etc.);
- *Status of CO bank accounts signatories, including reviewing the list of designated signatories, appointment process and authorizations of the said signatories by the BoD*
- **HR/Personnel:** Financial aspects of personnel management (employee contracts, remuneration of salaries, allowances and other benefits, deductions at source according to regulations currently in force, remittances made to the proper authorities including Income Tax, expat income tax, annual personnel evaluations/appraisals, policies, procedures and recovery mechanisms for staff advances and verification that allowances have been paid in conformity with the said policies and procedures as well as local regulations);
- **HR/Consultant:** The procedures for the hiring and payment of consultants (approval of selection and contracts by the proper authorities, contracts properly written with appropriate financial control over payments of fees and expenses including appropriate certification that the work was performed satisfactorily before a payment is made);
- **Supply & Logistics:** The financial aspects of procurement (purchase orders, appropriate certification that the goods have been delivered in satisfactory condition before a payment is made);

¹ International Standards of Auditing (ISA) are developed by the International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB).

² ISA200 is code of Ethics for Professional Accountants Issued by IFAC.

- The procedures on the control of expenses (complete documentation, certification that the goods have been received or services rendered, issuance of check in the name of the supplier stipulated in the contracts/purchase orders, proper signatories, bank accounts, etc.);
- The procedures on inventory control of non-renewable stock (replacement parts, etc.) and assets (catalogued/inventoried on a regular basis, identification by serial number or other means, condition of the inventory, location, etc.);
- The policy for, and control of, the use of vehicles and fuel as implemented by the Country office;
- The mechanism for the recovery of costs (method of invoicing, control of invoices issued but unpaid), control of receipts generated by these revenues;
- The procedure and recovery mechanism for staff advances;
- The reporting mechanisms (financial and quarterly progress reports, explanation of variances, etc.).

5. Deliverables

The Auditor is responsible for conducting the audit procedures as specified in the ToR and the ISA auditing standards.

In addition to the audit report, the auditor will also provide a management letter summarizing the observations on accountability and internal controls. These would include the following:

- The auditor will perform the country audit separately
- There need to be different audit reports in each country
- Comments and observations on the accounting records, systems and controls that were examined during the course of audit.
- Specific deficiencies and areas of weakness in systems and controls and recommendation for improvement.
- Any other matter that the auditor considers significant to report to the management.
- Audit findings should be categorized by risk severity: High, Medium, or Low, measured on the basis of impact and likelihood;
- The observations in the “Management letter” must be accompanied by the implications, suggested recommendations from the auditors and the management comments on the observations/recommendations.

6. Role of the auditor

- Meet with the country office Associate /Country Director (A/CD) to gain an appreciation of any specific concerns or risks with the financial management;
- Perform the audit at the premises of the Country Offices and visit field offices when/where organisation security allowed.
- Obtain Management’s feedback/response to the draft Management Letter and Audit Report;
- At the end of the audit, debrief the D/CD at the Country Office.

7. Timeframe

The annual audit exercise can start as soon as possible after an external and independent chartered accountant is selected through the appropriate procurement procedure as mentioned in the Supply and Logistics Manual.

The final audit report and the Management Letter including Country Office management’s response should be submitted to the relevant Business Controller by **31st August 2026**

Please send your proposal to HR.Vietnam@oxfam.org by **7th June 2026**.

The subject of the mail should be: [ToR Reference – Audit 2025/26 Proposal Submission + [Name of bidder]]

Any questions, remarks or requests for clarification can be sent up to 7 days before the submission deadline in writing. The (anonymised) questions will be answered to all applicants.

Annex A: Example letter of engagement

INSTRUCTIONS FOR USING THIS ToR

The following letter is for use as a guide in conjunction with the considerations outlined in the International Standards on Auditing and will need to be varied according to individual requirements and circumstances.

This instruction should be removed from the Engagement Letter

To the Board of Directors or the appropriate representative of senior management,

You have requested that we audit the financial statements of <Country Office's name> for the year ending 31 March 2026. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be made with the objective of expressing an opinion on the financial statements.

We will conduct our audit in accordance with International Standards on Auditing <or refer to relevant national standards or practices>. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In addition to our report on the financial statements, we will provide you with a separate management letter concerning any material weaknesses in accounting and internal control systems which come to our notice. We will pay special attention to those audit procedures stated in the ToR.

We remind you that the responsibility for the preparation of financial statements including adequate disclosure is that of the management of the organization. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the organization.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. We look forward to full cooperation with your staff and we trust that they will make available to us the records; documentation and other information requested in connection with our audit.

The fee for this engagement shall be <amount agreed per procurement of external auditor>

<i>Estimated hours for audit</i>	<i>Partner</i> <rate>	<i>Manager</i> <rate>	<i>Senior</i> <rate>	<i>Junior</i> <rate>	<i>Total</i>
<i>Planning</i>					
<i>Audit</i>					
<i>Report</i>					

Our fees are based on time spent by members of our audit team. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

In case of circumstances that the budget might be insufficient, we will contact Oxfam <Country Office> immediately and discuss possible consequences with regards to our indicated fee. When actual hours remain under fee, we will invoice actual hours accordingly.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of terms of engagement.

Your sincerely,

<AUDIT FIRM SELECTED>

<signed>

<name of staff from audit firm selected>

Acknowledged on behalf of Oxfam Novib <Country office> by:

<signed>

.....

Name:

Position:

Date:

Annex B: Format Auditor's opinion

INDEPENDENT AUDITOR'S REPORT

To: *<Appropriate addressee>*

Report on the financial statements

We have audited the accompanying financial statements for the year ending 31 March 2026 of Oxfam *<Country Office>*, which comprise of the balance sheet as at 31 March 2026, and the statement of comprehensive income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with International Financial Reporting Standards.

Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with *<Country>* Law and International Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of *<name of entity>* as at 31 March 2026 and of its result for the year then ended in accordance with *<relevant Accounting Standards>*.

<Location, Date>

<AUDIT FIRM SELECTED>

<signed>

<name of staff from audit firm selected>