

Terms of Reference for a National Consultant Developing NCDD Internal Audit Manual

1. Background

The Royal Government of Cambodia (RGC) has committed itself to improving Sub-national Democratic Development. To meet this objective, it has adopted a series of laws describing the management of a three tier system of local government and developed a 10-year National Programme (NP, 2010 to 2019) and 3-year implementation Plan Phase-I (IP3-I, 2011-2014) and Phase-II (IP3-II, 2015-2017) to finance and implement local government reform. These reforms aim to develop sub-national democratic organizations and institutions that are accountable, effective, and efficient that promotes local development for the benefit of the Cambodian people.

The National Committee for Sub-National Democratic Development (NCDD) is mandated as the overall NP and IP3 program authority and through its Secretariat (NCDD-S) is responsible for policy formulation and program coordination of IP3-I and IP3-II. Underlying the reform is a national effort to develop capacity at all levels of government through functional assignment, and promotion of local initiatives.

The NCDD is structured into four divisions and two more groups. One of the two Groups is Internal Audit Group.

The Internal Audit Group was established by NCDD decision in January 2012 to contribute to the overall effectiveness of the NCDD management system to the extent that all divisions and offices become more committed to comply with established policies and rules if they are aware that their performance is subjected to regular evaluation.

During 2012, a draft manual of internal audit was prepared, but it was not finalized. The draft still has some points to be continuously discussed due to lack of policies, guidelines and procedures on audit execution and some inconsistency in key terms used. The Manual requires being practical in NCDD working contexts.

The National Consultant Developing NCDD Internal Audit Manual will produce an NCDD internal audit manual which is suitable to apply within NCDD for both national and sub national administration in execution of development partner fund support to NCDD.

2. Objectives

The Internal Audit Manual provides policies, guidelines and procedures specifically on internal audit applicable within NCDD (both national and sub national), including audit on finance, operation and compliance of policies, laws and regulations of the RGC. These include:

- Develop an internal audit manual that provides all policies, guidelines and procedures that meet the requirements of NCDD, as well as meet the international audit standards (which have been accepted as current practice using by Ministry of Economy and Finance (MEF) under the Public Financial Management (PFM) Reform program, technique and mechanism in collaboration with National Audit Authority (NAA).
- Guide through all the process of audit including planning, audit execution, audit finding report and follow-up process.
- In planning stage of the audit, risk-based assessment and/or other applicable procedures to plan for the most auditable areas are guided.
- Recommend better practices and corrective actions for the operation of the program to achieve its objectives.

3. Methodology/Activities to undertake

The national consultant is expected to undertake the following activities to complete the work:

- Review draft manual including policies, guidelines and procedures, and identify part of the manual requires taking out or updating.
- Research and collect policies, guideline and decision from NAA/MEF and International Standards of Auditing especially internal audit related to the manual that valid in implementation to merge in to the new manual. This includes policies, guidelines and procedures on how to conduct internal audit in main areas of the program including financial audit, performance audit and compliance audit.
- Produce draft manual that updates of existing draft and merging a new valid of policies, guideline and procedures.
- Provide models of standard reports to the internal audit group in the preparation of periodic reports and annual internal audit reports to the Head of NCDD secretariat, development partners and NAA.
- Hold a meeting to present and discussion with concerned staff on the draft manual. This process is to ensure that policies, guidelines and procedures are applicable by all relevant implementers in NCDD.
- Review and finalize draft manual by taking into account of related staff's comments from the meeting.
- Prepare training materials and conduct training to relevant staffs and related parties.

4. Outputs to be produced

The outputs to be produced by the national consultant are:

- Internal audit manual in Khmer consist mainly of policies, guidelines and procedures on internal audit including financial audit, performance audit and compliance audit, and other relevant procedures which deem applicable within NCDD, as well as meet the international audit standards (which have been accepted as current practice using by MEF under the PFM reform program, technique and mechanism in collaboration with NAA).
- All internal audit staffs have knowledge on these policies, guidelines and procedures, and are able to practice at their workplace.
- Training of the Manual to all relevant officers in NCDD including national and sub-national levels.

5. Time Frame

The work is expected to be completed within 35 working days, starting from June to August 2017:

- 12 working days for review existing draft manual and research and collect any other related policies, guidelines and procedures.
- 10 working days for developing revised draft manual.
- 03 working days for preparing presentations for meeting.
- 10 working days finalize draft manual and conduct training.

6. Institutional arrangements and Background Documentation

The consultancy will be managed by NCDDS, assisted by the Internal Audit Group who will facilitate and coordinate to complete the assignment. The Internal Audit Group will:

- Provide the existing draft manual

- Explanation of the existing process to ensure all in practices policy and guideline are understood by consultant
- Answer questions as they arise
- Accompany the consultant when necessary
- Arrange all logistics, meetings and introductory letters
- Arrange transportation to SNAs if required
- Arrange all workshops and meetings required

The following documents will be provided to the consultant:

- The NP-SNDD Program Document
- The IP3-II documents
- The 2016 and 2017 Annual Work Plans and Budgets
- Available documents related to audit from NAA
- Existing draft manual of internal audit
- Working papers and audit finding reports of internal audit from past years
- Other related documents upon requests

7. Skills and Qualifications of the national consultant

The national consultant is expected to have the following skills and qualifications:

- At least a Master's Degree or equivalent in Finance/Accounting, Audit, Public/Business Administration or related studies
- Qualification in ACCA/CPA and/or International Standards of Accounting and Auditing, especially Internal Audit will be considered an advantage
- Proven experience in writing manuals or guidelines; fluently spoken and written English is required
- Have at least 5 years' work experience in the field of audit
- Experience with Public Sector (Government), development partners and donors such as UN, World Bank, ADB, EU, IMF....
- Knowledge of Cambodian government procedures, policies, financial and audit rules and regulations
- Strong verbal and written communication skills including the ability to clearly present information to various audiences in both formal and informal settings