

PEMSEA Resource Facility	Document No.	TOR-PRF-008
	Revision No.	000
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Terms of Reference External Auditor

I. OBJECTIVE

The External Auditor shall perform the financial audit of the PEMSEA Resource Facility (PRF), which shall be in conformity with recognized accounting standards such as the International Public Sector Accounting Standards or other international standards acceptable in major capital markets.

II. FUNCTIONS AND DUTIES

1. The External Auditor shall comply with ethical requirements and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatements. S/he shall be completely independent and solely responsible for the conduct of the audit.
2. The External Auditor shall make annual audit opinions and observations with respect to the efficiency of the financial procedures, the appropriateness of the accounting system, and reasonableness of the accounting estimates made by the management as well as evaluation of the overall presentation of the financial statements.
3. The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Executive Director for appropriate action any transaction that raises doubts to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be communicated immediately to the Executive Director.

III. OPERATIONAL ARRANGEMENTS

1. The External Auditor shall be appointed by the Executive Committee for a period of three (3) years on the basis of merit, experience and remuneration, as established and submitted by the PRF.
2. The External Auditor may be re-appointed to additional terms by the Executive Committee.
3. The cost of travel and *per diem* as well as other reimbursable items incurred by the External Auditor in relation to the audit, as approved by the Executive Committee, will be reimbursed in accordance with PEMSEA rules and guidelines.

IV. QUALIFICATIONS AND SKILLS REQUIRED

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Experience: Registered/licensed in the Philippines as a Certified Public Accountant, with at least 10 years in conducting financial audits in conformity with the International Public Sector Accounting Standards or other international standards acceptable in major capital markets, as well as experience in dealing with international organizations and business transactions.