

Proposed Re-Appointment of the External Auditor

for FY2016-2017

GBM2/WP7

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PURPOSE

1. The purpose of this working paper is to seek the approval of the Governing Board for the re-appointment of the external auditor for fiscal year 2016/2017.

BACKGROUND

2. Under the provision of the Enabling Instrument for SEAMEO CELL, Article XII: Account and Audit, Item 4 states:

“The Account and the books of accounts shall be audited by an independent firm of auditors to be engaged by the Centre Director with the approval of the Governing Board”

The Financial Operations Manual of SEAMEO – Part L(c) also makes clear instruction on the process:

“The Governing Board of each Regional Centre/Project shall appoint an auditor to make an independent examination of the respective Centre/Project’s books of Accounts for each fiscal year ending 30 June”.

3. Based on these provisions, last year a number of firms were invited to submit their proposals on the auditing work within a reasonable price range that the Centre budget could afford. Among the two firms that presented the required profiles and quotations, the Centre suggested choosing D.N.P Auditing-Financial Consulting Company Limited and the Governing Board endorsed this option.

SCOPE

4. This year, D.N.P Auditing-Financial Consulting Company Limited continues to send the proposal to express their interest to be the external auditor for the Centre for the fiscal year 2016/2017. Key information of the proposal is summarised as follows:

Firm's highlights:

- Established in 2003
- Three offices in Ho Chi Minh City, Binh Duong province and Tra Vinh province
- Seven Certified Public Accountants
- More than 100 clients
- Approved by State Securities Commission to audit listed companies in Vietnam
- Was the external auditor of SEAMEO CELL for FY2015/2016

Quotation:

- 55,000,000 VND (excluding a 10% VAT and 3% miscellaneous expenses) or 62,150,000 VND in total (approx. 2,891 USD)

Comments on the proposal:

- D.N.P is a reliable local auditing firm approved by the State Securities Commission of Vietnam to audit listed companies.
- Considering the performance of D.N.P for the FY 2015/2016 auditing work, D.N.P offered competent staff with quality services.
- The fee that the company offered for this year is the same as last year which is more competitive compared to that by other auditors.
- As the company was the external auditor of the Centre for FY2015/2016, D.N.P now has a clear understanding of the nature and scope of the auditing work for SEAMEO CELL.

JUSTIFICATION

5. The appointed external auditor will serve as the Centre's Financial Auditor for current FY 2016/2017. With the appointment of the external auditor, the financial operation will be audited as requested.

REQUESTED DECISION

6. The Governing Board Members are requested to consider and re-appoint D.N.P Auditing –Financial Consulting Company Limited to be the external auditor of SEAMEO CELLL for the fiscal year of 2016/2017.