

TERMS OF REFERENCE FOR FINANCIAL COMPLIANCE REVIEW AND TAX HEALTH CHECK

I. INTRODUCTION

World Vision is a Christian relief, development and advocacy organisation working to improve the quality of life of people, especially children who are marginalised and living in poverty. World Vision helps all who are in need, regardless of their religion, race, ethnicity or gender. As a child-focused organisation, WV's work focuses on children, ensuring they are protected and their basic needs are met. World Vision Vietnam (WVIV) has been funded by 13 support countries in Europe, Asia, the Americas and Australia.

Funding for FY2023 of WVV was 15,950,527 USD and 16,863,953 USD for FY2024. The fund consists of sponsorship program funding (70%) and Private Non-Sponsorship (PNS)/grants (30%). WVIV employs about 430 staff members.

WVIV is operating in 4 zones: North 1 (Dien Bien, Hai Phong), North 2 (Thanh Hoa), Central (Quang Tri and Da Nang) and South (Quang Nam, Quang Ngai, Binh Thuan, Ho Chi Minh, Dak Nong). WVV's Area Program (AP) usually focuses on one administrative district of a province populated by ethnic minority people with high poverty rates. A uniqueness of WVV's Development Program Approach (DPA) is that AP team members are based at the district level where the AP is located, which enables them to work closely with government partners and communities on a daily basis. Besides the APs, WVIV is also implementing different Special and Grant Projects to meet the specific needs of vulnerable children in both AP and non-AP areas.

II. REQUEST

WVIV is requesting a reputable and experienced consultancy firm/law firm specialising in tax to perform:

- **The financial compliance review, which covers:**
 - Review existing regulations and enforcement of the laws that apply to international non-governmental organisations that operate in different locations, including Partnering with local partners, Tax declaration, VAT refund, Level of authority to Zones, Aps;
 - Review existing regulations on managing international non-governmental organisations' assets including tax obligations (if any) when disposing of assets.
 - Provide recommendations, if any, on the following steps to ensure compliance with existing regulations.
- **The tax health check, which covers:**
 - Corporate income tax
 - Foreign contractor tax
 - Employment tax
 - Other applicable taxes (if any)

- VAT refund

III. TERM OF REFERENCE

The terms of reference include:

1. Scope

- Provide confident opinions on WVIV's tax liability based on the careful assessment and review of WVIV's status and existing laws/regulations.
- Preparation of a report of your findings for discussion with the Management of WVIV; and

2. Engagement Team and Economic Proposal

- Provide the characteristics and qualifications of tax consultancy firm/law firm and the justification to complete the engagement including the years of experience.
- Provide a list of engagements similar to the one requested in the last two years.
- Provide the names and qualifications of all members of the team of tax experts that will be engaged in the investigation and preparation of the report.
- Provide fee proposal for the engagement.

3. Methodology

We require consultancy firms/law firms to conduct a high-level review of:

- Current status of WVIV at Organisation level and APs level on signature authority, tax declaration, assets management
- Review financial statements, supporting documents, payroll, policies/procedures on sample basic to identify tax liability and quantify the tax exposures.

4. Report

The Report to be submitted must include the following:

- Scope of work performed and methodology employed, revised accounting evidence and any other information relevant to the work
- Executive summary of conclusions with a table showing the type and % tax rate, documentary and compliance requirements, tax remedy and recommendations
- List of all taxes analysed with narrative of what is right and what represents an actual or potential obligation of taxes that may affect the organisation that has not been paid or recorded.
- Final considerations for the present and future.

5. Responsibilities

- The firm agrees to maintain absolute confidentiality of the work done and the materials used throughout the duration of the work and for an agreed-upon period after the end of the process.
- Have discretion and secrecy during the investigation process, preparation of the report and accompanying materials, respecting the security policies and safeguarding of the information of WVIV. In both cases, a confidentiality agreement must be signed.