

**Kingdom of Cambodia**  
**Nation Religion King**

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Non-Banking Financial Services Authority

Nº: 003 FSA

**CIRCULAR**

**on**

**Mechanism and Procedure of Following-Up the Implementation of Performance Audit  
Recommendations of Internal Audit Unit of Non-Bank Financial Services Authority  
on Units Under Non-Bank Financial Services Authority**

To ensure the effectiveness and efficiency of following-up the implementation of performance audit recommendations adhere to the Prakas on the Performance Audit Guidelines, Internal Audit Unit of FSA has prepared and put into application the circular on the mechanisms and procedures of following-up the implementation of performance audit recommendations. This circular has defined the roles, duties, and obligations of related parties in the process of following-up the implementation of the performance audit recommendations:

**1.Appointing a Person in Charge of Units under FSA**

The units under the FSA shall appoint at least one person to coordinate the following-up the implementation of the performance audit recommendations work, known as "**Person in Charge**" to work with the Internal Audit Unit of FSA.

The units under FSA can appoint the same person who was in charge of coordinating the compliance audit work or performance audit work.

In case of change, the units under FSA shall provide the name, position, phone number and other contact information of the person in charge to the Internal Audit Unit of FSA.

**2.Following-Up the Implementation of Performance Audit Recommendation Plan**

Auditor in charge shall prepare the following-up the implementation of performance audit recommendation plan by determining the audit topics, audit criteria, schedule as well as the indicators to ensure the effectiveness for the evaluation of the implementation of performance audit recommendations.

To facilitate the units under FSA, Auditor in charge shall prepare the work schedule to perform the following-up the implementation of performance audit recommendation along with performance audit work.

Auditor in charge shall clearly specify the schedule from the data collection phase until the following-up the implementation of performance audit recommendation report is produced.

### **3. Sending the Following-Up the Implementation of Performance Audit Recommendation Plan to units under FSA**

Auditor in charge shall provide following-up the implementation of performance audit recommendation plan to the person in charge of each unit under FSA before conducting following-up the implementation of performance audit recommendations.

Person in charge of units under FSA may request a meeting with the auditor in charge on a set plan of following-up the implementation of performance audit recommendations.

### **4. Preparing a checklist to collect data and information to evaluate the implementation of performance audit recommendations**

Auditor in charge of units under FSA shall prepare a checklist for data and information collection to evaluate the implementation of performance audit recommendations.

Auditor in charge of units under FSA shall provide an approved checklist to the person in charge of the unit under FSA before conducting the data and information collection.

Auditors in charge of units under FSA shall notify the specific time that the person in charge of the unit under FSA provide data and information as defined in the checklist.

Person in charge of units under FSA shall cooperate in the preparation of the data and information as set out in the checklist and shall provide the auditor in charge of the unit under FSA at a set time.

### **5. Requesting for confirmation and / or data and additional information**

Auditor in charge shall request confirmation and / or data and additional information in written letter and / or request a meeting for explanation or confirmation directly from relevant persons in case the data and information provided were inaccurate, incomplete, and inconsistent.

Auditor in charge shall prepare a checklist specifying about the additional data and information that unit under FSA must provide and / or list of questions that units under the FSA further confirmation is required.

Auditor in charge shall give at least 7 (seven) working days from request day.

### **6. The confirmation and / or additional data and information**

Units under FSA shall provide written confirmation and / or additional data and information to the auditor in charge and / or arrange a meeting between the auditors in charge with the relevant person to explain and / or confirm through the person in charge no later than 7 (seven) working days after receiving the request letter.

## **7. Preparation on the results report of the evaluation of the implementation of the performance audit recommendations**

Auditor in charge shall analyze and evaluate the implementation of recommendations of the units under FSA by comparing the data with the audit criteria or other criteria which is determined in the performance audit recommendation.

Auditor in charge shall prepare a finding report of following-up the implementation of the performance audit recommendations based on the collected data and information.

Auditor in charge shall submit a finding report to the management before meeting with the units under FSA's management on the results of the evaluation of the implementation of the performance audit recommendations.

## **8. Discussions with units under FSA on the Results of the Evaluation of the Implementation of the Performance Audit Recommendations**

Auditor in charge shall specify the schedule to meet and discuss on the finding report with the units under FSA's management and officials.

Auditor in charge shall explain the results of the evaluation of the implementation of the performance audit recommendations to the units under FSA.

## **9. Draft report of following-up the implementation of performance audit recommendations**

Auditor in charge shall prepare a draft report of following-up the implementation of the performance audit recommendations after getting the approval from units under FSA on the results of the evaluation of the implementation of performance audit recommendations.

Auditors in charge shall submit a draft report to their management before handing the report over to the task force committee review.

## **10. Reviewing and evaluation on the draft report**

The task force committee shall hold a meeting to review and evaluate the draft of following-up the implementation of performance audit recommendation report.

If the task force committee finds out that the auditor's conclusion is based on insufficient data and information, the task force committee shall advise the auditor in charge to proceed further procedures.

## **11. Sending the draft Report to units under FSA**

Auditor in charge shall send the draft report to the units under FSA after getting approval from the task force committee.

The units under FSA shall provide the opinion on the draft report to the Internal Audit Unit of FSA in formal written letter within 7 (seven) working days after receiving the draft report.

## **12. Discussion on the draft report**

In case disagree with the draft report, the units under FSA may ask for further discussion with auditor in charge and the auditor in charge shall set the schedule to discuss on the draft report.

## **13. Reporting the Result of the Auditor's Discussion**

Auditor in charge shall prepare the report of the discussion result with the unit under FSA on the draft report. Auditor in charge shall request the approval from the head of internal audit unit of FSA to include the unit under FSA's opinion into the draft report.

Auditor in charge shall prepare discussion report before handing the report to the task force committee to review.

## **14. Final report**

Auditor in charge shall prepare the following-up the implementation of performance audit recommendations report based on the task force committee's decision.

Auditor in charge shall prepare the following-up the implementation of performance audit recommendations report adhere to the report form in accordance with the circular on following-up the implementation of the performance audit recommendations report form of the Internal Audit Unit of FSA.

Auditor in charge shall send a following-up the implementation of performance audit recommendations report to the Planning and Training Division of the General Affairs Department of the Internal Audit Unit of FSA to proceed further.

## **15. Reporting to the Chair of the FSA Board**

Planning and Training Division of the General Affairs Department of the Internal Audit Unit of FSA shall compile the final following-up the implementation of performance audit recommendations report from auditors in charge of the units under FSA as prescribed form.

The Internal Audit Unit of FSA shall request for approval on the final following-up the implementation of performance audit recommendations report from the chair of the FSA board.

## **16. Reporting to units under FSA**

The Internal Audit Unit of FSA shall send the final following-up the implementation of performance audit recommendations report to the units under the FSA after getting approval from the chair of the FSA board.

General Secretariat, Head of Internal Audit Unit, Director of Insurance Regulator of Cambodia, Director of securities and exchange regulator of Cambodia, Director of Social Security Regulator,

Director General of the Trust Regulator, Director of Accounting and Auditing Regulator and Director of real estate business & pawnshop regulator shall implement this circular effectively from the date of signing.

Phnom Penh, August 21<sup>st</sup>, 2023

**Deputy Prime Minister**

**Minister of Economy and Finance**

**And Chair of the Non-Banking Financial Services Authority**

**Akak Bandith Saphear Char AUN PORNMONIROTH**

Receiving Places:

- Cabinets of His / Her Excellencies Deputy Prime Ministers
- Deputy Chairman and Council Members of Non-Bank Financial Services Authority “For Information”
- General Secretariat of Non-Bank Financial Services Authority
- All units under Non-Bank Financial Services Authority
- Internal Audit Unit of Non-Bank Financial Services Authority
- Archives-Records.