Mekong River Commission
For Sustainable Development

Annex 2

CALL FOR AUDIT COMMITTEE NOMINATIONS

Title:	**MRC Audit Committee Members**
Duration:	**01/09/2026 to 31/08/2029**
	One three-year term, subject to MRC Joint Committee (JC) renewal
Duty Station:	**Home-Based and MRC Secretariat Office in Vientiane**
Reporting to:	**MRC JC through the Chairperson of the JC, with reports circulated simultaneously to all JC members**
Expected Deliverables:	**Quarterly, Mid-year and Annual Reports**
Open to:	**Nationals of Riparian Member Countries**

1. Background: The Mekong River Commission

The Mekong River Commission (MRC) was established by the 1995 Agreement on Co-operation for the Sustainable Development of the Mekong River Basin, between the governments of Cambodia, Laos, Thailand and Vietnam. In accordance with this Agreement, the mission of the MRC is: "To promote and coordinate sustainable management and development of water and related resources for the countries' mutual benefit and the people's well-being by implementing strategic programmes and activities and providing scientific information and policy advice."

The MRC has a three-fold governance structure, consisting of the Council as the highest- level decision-making body (at ministerial level), the Joint Committee (JC) and the MRC Secretariat (MRCS) - complemented by National Mekong Committees (NMCs) in each MRC Member Country (MC). The MRCS Is the operational arm of the MRC. It provides technical and administrative services to the JC and the Council to achieve the MRC's mission. The office of the Secretariat is in Vientiane (OSV), Lao PDR, and a Regional Flood Mitigation and Management Centre is based in Phnom Penh, Cambodia.

Currently, the MRC JC does not have an oversight body under it which will provide advice in matters related to financial management particularly fund management; financial reporting, internal control, internal and external auditing, among others This concern will be addressed through an Audit Committee (AC) whose membership will be composed of a chairman and four (4) Committee members.

2. Role of an Audit Committee

2.1 The AC provides independent assurance and assistance to the MRC Council and the MRC JC on:

- the risk, control, governance and compliance frameworks of the organization;

- the MRC's external accountability responsibilities particularly to the member countries and development partners, and;
- other pertinent matters identified by the Council and the MRC JC.

2.2 The AC does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the MRC or the reporting lines and responsibilities of either internal audit or external audit functions.

2.3 The AC provides prompt and constructive reports on its findings to the JC through the Chairperson of the JC and circulated simultaneously to all JC members particularly when issues are identified as posing material risk or threat to MRC.

2.4 The AC also serves as an avenue of communication between the internal and external audit and the JC for issues and concerns which need to be clarified by the auditors.

3. Authority

3.1 The AC has no executive powers, unless delegated to it by the MRC JC.

3.2 To implement its mandate, the AC has the authority to:

- Initiate and supervise special investigations into matters within the scope of its authority upon the request and agreement by the MRC Joint Committee;
- Access information, records and personnel of the MRC for such purposes;
- Request the attendance of any employee including the MRCS Chief Executive Officer (CEO) at AC meetings;
- Conduct meetings with MRC internal and external auditors as necessary;
- Oversee the work of any public auditing firm contracted by the organization;
- Resolve any disagreements between management and the auditor regarding values and ethics, organizational governance, financial reporting, risk management, internal control, organizational performance management, external audit and assurance, internal audit compliance, fraud and corruption, and other responsibilities; and
- Retain independent counsel, accountants, or others to advice the AC or assist in the conduct of an investigation initiated by the AC.

4. Main tasks and responsibilities

Detailed tasks and responsibilities of the Audit Committee are described in the AC Charter attached. This summary below of overall responsibilities covers:

4.1 **Organizational Governance:** Ensure organizational governance process established, operates as intended and sustained within the organization.

4.2 **Values and Ethics:** Review policies, procedures and practices are in conformance with code of conduct and ethical policies and provide oversight to ensure high ethical standards maintained and in compliance with law and regulations.

4.3 **Financial Statements:** Ensure reliability of financial information used for information and decision-making of its stakeholders.

4.4 **Risk management:** Review the enterprise risk management framework for identifying, monitoring, and managing significant risks, including fraud.

4.5 **Internal Control:** Review the internal and external audit functions that are the adequacy of internal controls and whether relevant policies and procedures are In place.

4.6 **Performance management:** Review whether performance management systems, including the reporting system, are in place to reflect the MRC's role/purpose and objectives as stated in the strategic plan as well as use appropriate benchmarks, targets, and trend analysis.

4.7 **Internal Audit and Assurance:** (-) Functional supervises the internal auditors' work and internal audit activities, including the approval of the internal audit charter, the internal audit plan, and the internal audit reports and (-) Review the performance of the internal auditor and the internal audit function to ensure compliance with the Institute of Internal Auditor's International Professional Practices Framework on Internal Auditing consisting of the Definition of Internal Auditing, Code of Ethics, and the Standards.

4.8 **External Audit and Assurance:** Review work and performances of the external auditors, including review of TOR for external auditors and review of external audit findings and recommendations to ensure these are in line with the Risk Management Framework.

4.9 **Compliance:** (-) Determine whether management has considered legal and compliance risks as part of the MRC's Enterprise Risk management and (-) Review the effectiveness of monitoring done on compliance with the MRC code of conduct, laws, regulations and country policies.

4.10 **Reporting:** Six (6) reports, including quarterly, mid-year and annual reports, for submission to the MRC JC through the Chairperson of the JC and circulated simultaneously to all JC members. Any further circulation shall be subject to the guidance of the MRC JC.

4.11 **Other Responsibilities:** Perform other activities related to this Charter as requested by the MRC JC.

5. Audit Committee membership terms and conditions

5.1. The AC terms and conditions including the duration of appointment and specific duties and responsibilities shall be disclosed in a Letter of Appointment signed by the Chairman of the MRC JC.

5.2. The AC members, including the AC Chair, are formally appointed by the Chairperson of the MRC JC for the period of 36 months as one (1) term. The members may be re-appointed based on the decision of the JC.

5.3. Each member country as well as the MRC Secretariat's nominee is represented in the AC based on a selection process agreed upon at the JC level and which takes into consideration the following:

- The AC is composed of the Chairman and four (4) Committee members;
- At least one (1) or two (2) AC members shall possess the qualifications of financial expert. Collectively the AC members should possess sufficient knowledge and experience in financial reporting and accounting, external and internal audit oversight, risk management and internal control systems. The AC may also collectively include members with relevant knowledge and experience in Information Technology (IT), cybersecurity and sector knowledge relating to water resources and environmental management;
- None of the members, including the Chairperson, be a current employee/supplier/contractor or consultant of the MRC Secretariat for the last three (3) years from appointment date;
- MRC Secretariat's nominee must not have worked or be connected to the MRC Secretariat in any capacity for the past three (3) years; and
- The age limit for Chairperson and members of AC shall follow the established MRC Human Resources Manual. Notwithstanding this, selection shall be based primarily on relevant professional experience, independence, and sound judgement, rather than age alone.

5.4 The AC Members are appointed on the basis of personal qualities and skills. As such, proxies or alternates are not permitted if the AC member is unable to attend meetings.

6. Qualifications

6.1 Must be possessed by all Nominees

- **Independence and objectivity:** he /she must exhibit an impartial and unbiased attitude and must be free from interference from internal and external sources which may influence the result of work performed. To ensure this, the Nominee must not have been connected in any capacity with the MRCS or JC as an employee, officer, compensated adviser or consultant and supplier/contractor for the last three (3) years from appointment date. The Nominee must not be related by affinity or consanguinity up to the second degree with any MRC official or Committee member. The selected member must execute a Statement of Independence and Objectivity upon assumption of membership and yearly thereon until his/her term ends.
- **Integrity:** must perform work with honesty, diligence and responsibility; observes the law and makes disclosures; must not knowingly be a party to any illegal activities or engage in acts that are discreditable to the AC and his profession. The JC through MRCS will perform background checks on the reputation and character of the nominees as considered necessary.

- **Proficiency:** Proficiency is a collective term that refers to the knowledge, skills, and other competencies required to effectively carry out their professional responsibilities. Apart from possessing the required educational and experience requirements discussed in section 6.2 below, he/she must have:
    - A capacity to dedicate sufficient time and energy to the committee work at hand;
    - An understanding of the MRC business and services;
    - An understanding of risks and controls not necessarily that of the MRC's;
    - An ability to read or understand basic financial statements; ask pertinent questions about them, and interpret and evaluate answers;
    - An ability to give direct and honest opinions, inquisitiveness and independent judgment; and
    - An ability to offer different perspectives and constructive suggestions.
- **Fluency in spoken and written English** is required to avoid misinterpretation and miscommunication when deliberating issues and concerns and to fast-track consensus building and decision making.
- **An informal interview** may be conducted to test certain aspects of proficiency as considered necessary by the MRCS.

6.2 Education requirements for Financial experts (at least one or two members required)

Advanced university degree (Master's Degree or equivalent) in finance, accounting, business administration or related field. Professional qualification in accountancy (e.g. Chartered Accountant or Certified Public Accountant) is desirable. A first-level university degree with an additional two (2) years of relevant experience may be accepted in lieu of an advanced university degree.

6.3 Education requirements for other Members

Advance university degree (Master's degree) or equivalent in other fields of study as noted in section 5.3 above including two (2) years of relevant work experience can be accepted.

6.4 Experience requirements for Financial experts

A minimum of 15 years experience as a senior official/principal in the field of auditing; finance; accounting or related areas, including at least five (5) years working at the international level.

6.5 Experience requirements for other Members

A minimum of 15 years as a senior practitioner of his/her profession or has been connected w i t h the MRC in a senior official capacity for at least five (5) years. It must be emphasized though that as noted in section 5.3 above, he/she must not have been connected with the MRC for the last three (3) years before his/her appointment date.

6.6 Desirable Competencies in Emerging Risk Areas

It is desirable to possess knowledge or experience relevant to the evolving risk profile demonstrated through formal qualifications, professional certifications, or board-level oversight experience in domain such as cybersecurity.

7. Compensation

The AC Chairman and members are entitled to an honorarium, as well as meeting per diems during official meetings called by the AC Chairman, and the travel costs including incidental expenses and per diems for travelling from and to their country of residence (to Vientiane Laos and back).

The AC Meetings to be held at least four (4) times a year or as required by the AC Chairman.

Signature:________________________ Date:______________________

Name:

Chairperson of the MRC Joint Committee for 2026