



# Network Activities Group (NAG)

No.51, Shukhinthar Street, Rose Garden , Ward- 27, North Dagon Township, Yangon, Myanmar.  
Tel: 09-450694361~5, Email: info@nagmyanmar.org, Web: www.nagmyanmar.org

## Call for Proposal to conduct Organizational Financial Audit by Certified External Audit Firm

Reference No: NAG/VA-SR-127-2021

Network Activities Group (NAG) is a local registered non-profit organization in Myanmar. In fostering our vision “Emergence of a peaceful, prosperous and dignified society that values equity and diversity”, NAG focuses on the Governance Approach, intending to necessary changes of various stakeholders and existing practices towards good governance and has engaged stakeholders of all levels and different areas including local, regional and national government departments, civil society and the private sector. NAG implements livelihood, natural resources management and rural development programs and projects in Central Dry Zone, Coastal and Delta, Hilly Region and South Eastern Part of Myanmar, manages a budget of approximately Over **3.8 million USD** for the financial year 2021 (for more details please visit [www.nagmyanmar.org](http://www.nagmyanmar.org)).

### I. JOB PURPOSE

NAG received funding from multiple donors including Bi-lateral, United Nations Development Program, Consortium Funding Agency, International Non-Governmental Organization, Government Budget and Business entity.

NAG maintains records and account, in modified cash basis of accounting system, to reflect the operations, resources, and all expenditures in respect of the programs, projects and core fund. Such records and accounts of NAG are required to be externally audited in order to improve transparency and accountability as well as improving internal control system.

### II. Objectives

The general objective of the assignment is to conduct Organization Financial Audit by Certified External Audit Firm for the financial year 2021.

The specific objectives are to:

- Assess whether the accounting system and procedures adopted are maintained as per Organization Financial Policy and Guidelines
- Assess key risks and provide technical inputs on improving Financial Policy and Guidelines
- Express an independent professional opinion on audit findings and provide recommendations

### III. Scope of Services

The Auditor shall examine and carry out an audit of the books of accounts maintained by the organization. It is required to go through the various Project contracts, Memorandum of Understanding, Organization Policy, Procedures and Manuals which form the basis of financial operations. In addition to this, the auditor shall also look into details processes of Procurement, Administration and Human Resources Management. There are total of **3,831,032 USD** spent for financial year 2021 for **17 projects**, detail can be requested.

### IV. Specific Tasks to be performed by the Audit Firm

The following are specifics tasks and functions of the Audit Firm:

- Review the existing book keeping system, examine transactions and internal control & accounting system of the Organization
- Review and verify all the necessary documents and vouchers as per accounting practices



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- Verify that the funds received from Donors have been not only used in accordance with the Grant Agreements but also sought value for money, and only for the purpose for which the financing was provided
- Verify that goods and services financed by Donors have been procured in accordance with the Procurement Policy and Guidelines
- Verify that necessary supporting documents, records and accounts have been kept and they are consistent with the Finance Policy and Manuals of the Organization and Donors as per financing Agreement
- Verify that the accounts have been maintained properly and give a true and fair view of the financial situation of the Organization and of the resources and expenditure
- Evaluate the internal control system and effectiveness of present accounting system (Quick Book software) and suggest capacity needs and system improvements
- Evaluate the recruitment and hiring of staff and include performance appraisal, attendance control, and calculation of salaries, payroll preparation, income tax payment and management of personnel records.
- Recommendations should be directed to a specific entity so there is no confusion regarding who is responsible for implementation. The response of the entity should be included in the management letter, immediately following the recommendation.
- Also, the auditor may wish to comment on “good practices”

The draft audit report will be submitted to Network Activities Group (NAG) by **10<sup>th</sup> March 2022** and the signed audit report will be submitted to NAG by **31<sup>st</sup> March 2022**.

## V. Technical Competencies

The bidding Audit Firm will be required to meet the following criteria:

- The engagement partner is an Independent and Certified Public Accountant
- Five Years Auditing experiences and having auditing experiences with National NGOs
- The firm should commence its assignment as soon as contract has been signed (tentative dated on **15<sup>th</sup> February 2022**)

## VI. Management Letter

The Audit Firm should submit a management letter latest by **15<sup>th</sup> March 2022** covering following information:

- Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
- Examine on test basis that appropriateness of supporting documents, records and books of accounts relating to all project activities;
- Include management responses to audit findings and recommendations;
- Any matters that come to the auditor's attention during the audit that might have a significant impact to the implementation of the program;
- Examine, assess and report on compliance with the terms and conditions of the agreement between funding partners and NAG
- The Audit Firm shall report the identified amount in case there are any missing supporting documents;

## VII. Submission of Proposal

The proposal should cover the following information:

- Background and Experiences of the Audit Firm



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- The methodology, work plan and timeline for undertaking the assignments mentioning how the firm will conduct on annual organization financial report
- The proposed team structure, specific tasks and responsibilities
- The financial proposal indicating the proposed fees and expenses
- The proposal should submit their application in electronic copy latest by 31<sup>st</sup> December 2021 to [procurement@nagmyanmar.org](mailto:procurement@nagmyanmar.org), [zaw.moe@nagmyanmar.org](mailto:zaw.moe@nagmyanmar.org) and copy to [sanmin.oo@nagmyanmar.org](mailto:sanmin.oo@nagmyanmar.org).

Further information can be requested to U San Min Oo (above email and phone: Office: 09-450694361~5 (113), 09-423749020).

