

MRDI/2024-2025/182

02 December 2024

Ziaur Rahman Zia, FCA**A Qasem & Co.**

Gulshan Pink City Level # 7, Plot # 15,

Road # 103, Gulshan, Dhaka-1212

Email: Ziaur.Rahman@aqcbd.com**Subject: Appointment of Auditors for FY 2024-2025.**

Dear Respected,

As per decision of the MRDI members in the 21st AGM held on 30 November 2024, you have been appointed the external auditor of MRDI for conducting the audit of MRDI combined accounts for the year ended 30th June 2025 along with the MRDI Employees' Provident Fund.

You are requested to carry out the above-mentioned assignment considering the following conditions.

1. Audit the books of accounts for the period from 01 July 2024 to 30 June 2025 as per the attached Term of Reference (ToR) for conducting the audit.
2. While conducting the audit, you are requested to comply with the generally accepted accounting principles (GAAP), the Bangladesh Standards on Auditing (BSA), International Accounting Standard (IAS), International Financial Reporting Standard (IFRS) and related local laws & regulations. You will also follow the financial & administrative guidelines of the organization as well as the donors'.
3. The planning phase of the audit engagement will be initiated by a meeting with the Manager, Accounts and the Executive Director prior to the commencement and to provide a time schedule and Audit plan prior to the beginning of the work. An exit meeting is required on behalf of the auditor upon completion and discusses any recommendations or required communications with the Manager, Finance and the Executive Director. The meeting should take place prior to the deadline.
4. You are requested to begin the work within 07 days of submitting the draft consolidated accounts by MRDI and submitting your draft reports within 30 working days of beginning the audit.
5. Your audit fee will be a total of **Taka 350,000/=** (Taka Three lac fifty thousand) including VAT. VAT and Income tax will be deducted at source at the prescribed rates from the fees. After deducting VAT & Tax the net amount will be made through Bank Transfer.



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6. You will submit 05 copies of the consolidated audit report and MRDI Employee's provident Fund report along with 02 copies of the Management report.
7. A Qasem & Co. will be required to acknowledge the child protection code of conduct as per MRDI Policy.

If you agree, please sign and return a copy to MRDI.

Thanking you in anticipation.

Sincerely,



Hasibur Rahman
Executive Director

Accepted by:



Ziaur Rahman Zia, FCA
A Qasem & Co.
Date: 04 December 2024

Terms of Reference (ToR) for conducting external audit

A. Background:

Media Resources Development Initiative (MRDI) is a preeminent not-for-profit news media development organization and a company with limited liability in Bangladesh which works for developing a strong and independent media that exercises excellence in journalism, and to empower all people including the marginalized to freely enjoy their right to information, working with partners in Bangladesh and beyond.

B. Audit objective:

The main objective of the audit is to provide assurance to MRDI management, RJSC, NBR, donors and other stakeholders that adequate accounting records are kept, effective internal control systems are working smoothly, financial statement shows true and fair view, ensure that MRDI is handling the donors fund effectively adequate and consistently complied with the policies and procedures. The other objectives of this audit are follows:

- The financial statement is to be prepared by the organization that shows true and fair view
- Adequate accounting records are kept at this organization
- Effective internal control system is working here
- Funds received from different donors are working as per appropriate manner
- Funds were utilized properly as per the budgeted line items mentioned in FD-6
- Administrative and financial activities were done in compliance with the MRDI policies and procedures.
- Accounts vouchers and all other financial documents concerning with the accounts are prepared properly and systematically
- Financial statements are complying with the accounting principle and maintain its appropriate standard
- Find out if there are any irregularities, discrepancies and weaknesses in terms of cost, quality documentation, policy etc.

C. Scope of Audit:

Regarding achieving the objectives of this audit, the main tasks of the audit firm are included but not limited to the following:

1. To verify Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Receipts and Payments, Fixed Assets, and Inventories at the end of the financial year.




2. To check whether the auditee has complied with the international Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements, and report if any non-compliance was found. Is it made based on a complete accrual basis? If not, what preparations are required to reflect accounting on an accrual basis?
3. To examine whether the closing balance of last year's audited financial statement was carried forward as the opening balance in the current year's accounts.
4. To certify the MRDI overhead rate based on the actual expenditure for the audited period.
5. To examine whether the auditee has maintained proper books for receipt of funds and whether they properly comply with the rules and regulations as per the Financial and Administrative manual provided by the authority.
6. To examine whether the auditee has properly recorded and accounted for the receipt and utilized them as per their principles/terms and conditions of the agreement with the donors.
7. To check the closing cash balance at the time of auditing by counting cash amount physically and issue certificate of balance. To check the bank balance for the year end by collecting certificate of bank balance and check Bank Reconciliation Statements that have been prepared.
8. To check whether the payments were made with proper approval authority of bills/voucher, whether payment is made as per the approved budget.
9. To examine appropriateness of audit report and audited financial statement presented to different donor organizations and other regulatory authorities.
10. To examine whether there is a proper compliance with the provision of the Income Tax and Value Added Tax (VAT) authority rules of the Government.
11. To check whether all the policies i.e., the financial policy, the procurement policy, human resource management policy. etc. are in place and are properly followed by the auditee organization.
12. To comment on whether the recommendations in the previous year's audit on management findings were properly taken care of or not.
13. To check whether transactions have taken place through a bank for significant amounts.
14. To examine the compliance with NGO Affairs Bureau Rules and Policy.
15. Any other work, which may be related to the audit of the financial statements.
16. To conduct project audit as per donor requirements and follow the NGO Affairs Bureau Rules and other compliances.

D. Reporting Requirements: The report should be in three parts as follows:

1. Audit Report
2. Management Report
3. Certification of MRDI Overhead Rate

Ziaur Rahman

[Signature]

1.1 The audit report of MRDI should include:

- a. Consolidated Statement of Financial Position
- b. Consolidated Statement of Comprehensive Income
- c. Consolidated Statement of Receipts and Payments
- d. Notes to the Consolidated Financial Statements with sufficient disclosure
- e. Relevant Schedule(s) and Annexure(s)

1.2 The audit report of MRDI Employees' provident fund should include:

- a. Statement of Financial Position
- b. Statement of Comprehensive Income
- c. Statement of Receipts and Payments
- d. Notes to the Financial Statements with sufficient disclosure
- e. Relevant Schedule(s) and Annexure(s)

2.1 The management report of MRDI should include:

- a. Management Report highlighting the major observations and key recommendations
- b. Report on compliances of the previous year's audit observations and report on implementation status.

2.2 The management report of MRDI Employees' provident fund should include:

- a. Management Report highlighting the major observations and key recommendations
- b. Report on compliances of the previous year's audit observations and report on implementation status

3. Certification of MRDI Overhead Rate: The selected audit firm certified the overhead rate in prescribed format based on the actual expenditure of the organization during conducting the consolidated audit of the accounts.



Hasibur Rahman
Executive Director



Ziaur Rahman Zia, FCA
A Qasem & Co.
Date: 04 December 2024

Child Protection Code of Conduct

I, **Ziaur Rahman Zia, FCA, A Qasem & Co.** acknowledge that I have read and understood MRDI's *Child Protection Policy* under the Financial and Administrative Manual and agreed that in the course of my association with MRDI, I **must**:

- treat children with respect regardless of race, colour, gender, language, religion, political or other opinion, national, ethnic, or social origin, property, disability, birth or other status.
- not use language or behavior towards children that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate
- not engage children under the age of 18 in any form of sexual intercourse or sexual activity, including paying for sexual services or acts
- wherever possible, ensure that another adult is present when working in the proximity of children
- not invite unaccompanied children into my home, unless they are at immediate risk of injury or in physical danger
- not sleep close to unsupervised children unless absolutely necessary, in which case I must obtain my supervisor's permission, and ensure that another adult is present if possible
- use any computers, mobile phones, video cameras, cameras or social media appropriately, and never to exploit or harass children or access child exploitation material through any medium
- not use physical punishment on children
- not hire children for domestic or other labour which is inappropriate given their age or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury
- comply with all relevant legislation, including labour laws in relation to child labour
- immediately report concerns or allegations of child exploitation and abuse and policy noncompliance in accordance with appropriate procedures
- immediately disclose all charges, convictions and other outcomes of an offence, which occurred before or occurs during my association with MRDI that relate to child exploitation and abuse.

When photographing or filming a child or using children's images for work-related purposes, I must:

- assess and endeavor to comply with local traditions or restrictions for reproducing personal images before photographing or filming a child
- obtain informed consent from the child and parent or guardian of the child before photographing or filming a child. As part of this I must explain how the photograph or film will be used
- ensure photographs, films, videos and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive.
- ensure images are honest representations of the context and the facts.
- ensure file labels, meta data or text descriptions do not reveal identifying information about a child when sending images electronically or publishing images in any form.
- I understand that the obligation is on me, as a person associated with MRDI, to use common sense and avoid actions or behaviors that could be construed as child exploitation and abuse.

Signature: 

Date: 04 December 2024