

**Republic of the Union of Myanmar**  
**Ministry of Planning, Finance and Industry**  
**Modernization of Public Finance Management Project (MPFMp)**

**Request for Expressions of Interest for**  
**International position of Tax Audit Advisor (Individual Consultant)**

Country:	Republic of the Union of Myanmar
Name of the Project:	Modernization of Public Finance Management Project (MPFMp)
Consulting Services:	International Tax Audit Advisor (Individual Consultant)
Duty Station:	Nay Pyi Taw, Myanmar
Project ID No.:	P144952
Credit/Grant No.:	Credit No 54020-MM, Grant No TF017910
REOI No.:	MPFMp/A-C701
Procurement Plan Ref.:	A-C701
Advertising Date:	28 Feb 2020
Closing Date:	20 Mar 2020

**1. BACKGROUND**

The Republic of the Union of Myanmar has received financing in the amount of US\$ 30 million equivalent from the World Bank, and US\$25 million grant from the UK and Australian governments toward the cost of the Modernization of Public Finance Management Project, and it intends to apply part of the proceeds to payments for goods and consulting services to be procured under this project.

The development objective of the Modernization of Public Finance Management (PFM) Project for Myanmar is to support efficient, accountable, and responsive delivery of public services through the modernization of Myanmar's PFM systems and strengthening institutional capacity. The project has five components:

- a. Improving revenue mobilization through bringing more revenues from natural resources on budget and strengthening tax administration
- b. Responsive Planning and Budget Preparations
- c. Supporting Effective Budget Execution and Financial Reporting
- d. Fostering External Oversight and Accountability
- e. Establishing a Sustainable Institutional Platform and Skills-base for PFM

For a more detailed understanding of the scope of the Project and its governance and organizational structure, kindly consult the project appraisal document (PAD): <http://documents.worldbank.org/curated/en/2014/02/19393607/myanmar-modernization-public-finance-management-project>.

The revenue mobilization component of the project initially focuses on piloting reforms on the largest taxpayers, through the establishment of a Large Taxpayer's Office (LTO). This office operates under a functional (rather than tax type) organizational structure, and pilots the move to the Self-Assessment System, and has begun to employ contained IT solutions needed to manage taxpayer registration, strengthen compliance, manage risk systematically, employ risk-based auditing, and monitor and manage arrears.

In future it is planned that IRD will expand self-assessment to all taxpayer segments and would step out from its traditional methods of tax assessments and collections but apply the advantages offered by modern information technology and make the assessments and collection of taxes more efficient and transparent. It also involves a balanced approach in giving the taxpayers good services and lowering the tax compliance burden on the taxpayers. These programs are being carried out with the aim to improve the investment climate and also promote equitable, just and transparent tax management in the country.

When conducting *Tax Reform Program* - TRP there will be (4) sectors involved:

- a. Institutional development
- b. Procedural development
- c. Information Technology development
- d. Planning management development

A key component of the reform is the movement from a system of official assessment of tax liabilities, towards a system of self-assessment for tax liabilities. The LTO had received the first self-assessed income tax returns in April 2015 and considerable progress had been made, while commercial tax returns are filed quarterly.

Managing compliance under a system of self-assessment requires a significant shift in the organization and function of tax administration, of which one key reform will be the introduction of a modern audit function, taking into account principles of risk identification and profiling. The audit function was commenced in Large Taxpayer's Office in Yangon in 2016 for both commercial and income taxes. Auditors have been trained in auditing techniques but continue to require support on case management, statutory interpretation, risk identification, conducting complex audits and cross border transactions.

## **2. OBJECTIVES OF THE ASSIGNMENT**

The objectives of the assignment are:

- a. Building on the basic training received earlier, the consultant will improve the capacity of the LTO audit function to conduct audits of large businesses. This includes all steps of audit case management from preparing an audit case to conducting the audit and documenting audit findings.
- b. Act as a mentor advising audit teams on possible actions to take and audit techniques to use including leading brainstorming sessions on problems and challenges in the audit process, to provide input into rules and regulations aimed at identifying areas of tax evasion and actively participate in the conduct of specific audits. Particular focus on advising on audits of:
  - Taxpayers with good accounting systems, large volumes of data & using software-based accounting systems
  - Taxpayers with no adequate internal controls and high probability of tax evasion
- c. Identify areas of legislative weakness and provide practical advice on potential remedies
- d. Provide hands on instruction to audit teams on specific taxpayers under audit with particular emphasis on:
  - i. Identifying tax risks
  - ii. Providing sound technical advice (particularly where legislation is unclear or no precedents exist)
  - iii. Auditing cross border transactions
  - iv. Auditing complex transactions
  - v. Conducting effective interviews
  - vi. Managing audits effectively

The consultant therefore is expected to act as a trainer, coach, mentor, and advisor. The training activities that are conducted should be practice-oriented, using case studies from advanced tax administrations but primarily live files from commercial tax and income tax returns filed by LTO taxpayers. As a result of the training activities LTO auditors will:

- i. Become familiar with the processes of audit case management;
- ii. Have an understanding of audit approaches and techniques used for large taxpayer audits and be able to apply these approaches and techniques in their practical work;
- iii. Understand industry-specific issues related to audit and compliance management;
- iv. Understand the specific audit challenges related to multinational enterprises and be able to verify cross-border transactions;
- v. Understand the linkages between the audit functions and other compliance management functions in the LTO and the Internal Revenue Department (IRD).

## **3. SCOPE OF WORK**

Tasks of the assignment are:

- Supporting and hand-holding the audit teams of the LTO to perform the tax audits assigned to them by the LTO and preparing them for more audits. Closely mentoring their work and helping build capacity
- Conduct workshops on issues or audit techniques as required
- Develop on the job training aids
- Train senior officers as coaches and as future audit trainers
- Develop industry specific lead sheets
- Work collaboratively with international advisors
- Co-ordinate planning activities with LTO Management
- Provide support to the IT advisor on ITAS implementation team
- Provide input to IRD's tax policy reform, including from the perspective of the LTO and the tax compliance work;
- Build capacity of audit staff to identify issues for the decision of IRD's Technical Review Committee and prepare related referral submissions
- Support IRD and LTO in the implementation of the new Tax Administration Law and tax policy reforms;

- Collaborate with IRD’s Legal Interpretation Advisor to strengthen understanding of audit technical issues for better dispute resolution outcomes
- Contribute to IRD and LTO reform change management and communication efforts.

#### **4. DELIVERABLES**

The consultant shall prepare the following documents and reports:

1. A work plan for developing a sustainable, self-sufficient audit function within the LTO, including an outline and program as well as training material for the training workshops to be conducted for the training program of IRD’s Training Directorate.
2. Guidelines, “lead sheets”, for dealing with specific audit issues, such as e.g. auditing cross-border business transactions. Priority topics for such guidelines will be identified by the tax administration of Myanmar (IRD/LTO)
3. A reference tool listing key questions /issues brought to the attention of the consultant by LTO tax audit staff and providing guidance on how to address these questions and issues.
4. A completion report analysing progress made and experience with conducting large taxpayer audits. The report will also highlight existing major knowledge and experience gaps in the tax audit function and propose priorities for further capacity building.

The Consultant will be required to provide an update/addition to original baseline report.

All reports shall be prepared in English language and shall be submitted to IRD both in soft and in hard copy. All reports will be translated into Myanmar language and submitted to IRD within two weeks of the English language submission. A suitable translator will be provided and will be supervised by the consultant.

#### **5. QUALIFICATIONS AND EXPERIENCE**

The prospective candidate shall have the following qualifications:

- a. Proven documented experience in mentoring comparable LTO offices in audit techniques implementation of risk analysis algorithms, and achieving measurable revenue improvement in the LTO sector.
- b. Degree in accounting, law, economics or related area with supporting professional qualification, as well as at least 15 years of experience in conducting taxpayer audits (including at least five years of audits of large businesses and international tax issues; this needs to be supported by documentary evidence);
- c. Proven experience in sector specific audit issues in one or more of the following sectors: extractives, banking and finance, construction, telecommunications;
- d. Experience as a tax audit manager;
- e. Proven experience in training and capacity building for public sector organizations; specifically, it should be in tax auditing, accounting or related area of expertise.
- f. Proficiency in English with good report writing skills.
- g. Good communication skills and able to work in group environment, project evaluation experience is also desired.
- h. Work experience in developing and fragile/post conflict countries is highly desirable.

#### **6. DATA, SERVICES AND FACILITIES TO BE PROVIDED BY CLIENT**

The Client will provide all possible assistance and information as may be reasonably requested by the Consultant to carry out his/her obligations. Also, the Client will be responsible for provision of the following:

- fully equipped office space, with high-bandwidth access to Internet subject to availability (does not yet exist currently), local telephone line, printing, photocopying and document binding;
- any relevant legal documents;
- facilitate meetings with all stakeholders who can provide inputs required for the assignment.

#### **7. PRIVACY**

The Consultant shall not disclose any of the economic data, or taxation data or plan data to any third- party establishments without the permission of the Client.

#### **8. REPORTING**

The Consultant will report and be accountable to the Director General of the Internal Revenue Department (Lead for Component A) on the quality and timeliness of the deliverables/outputs specified in previous paragraph 4. For the day to day operations, the consultant will be supervised by the Director of the Large Taxpayer’s Office, and the Director of the Tax Reform Directorate (TRD).

## 9. EMPLOYMENT ARRANGEMENTS, DURATION AND SCHEDULE OF PAYMENT

Expected duration of the assignment is a **one-year period** in Yangon at the Large Taxpayer Office of the Internal Revenue Department (IRD). The consultant will be subject to a performance review after an initial period of 6 months into the position. (The performance review will be based on objective and measurable criteria like i) increase in number of taxpayers compared to earlier period, ii) the increase in revenue collections compared to earlier period, iii) improved capacity of the tax audit teams of the LTO office as measured by their outputs. The contract may be extended beyond the one year period, subject to the needs and mutual agreement.

MPFMp now invites eligible individual consultants to indicate their interest in providing the above mentioned services. Interested consultants must provide information indicating that they are qualified to perform the services (in addition to the educational qualifications, experience of similar assignments and country of work etc. should be incorporated in the CV to be submitted along with expression of interest/application). A consultant will be selected in accordance with the procedures set out in section V of the World Bank's [\*Guidelines: Selection and Employment of Consultants by World Bank Borrowers\*](#) (January 2011, revised in July 2014).

Expressions of interest must be submitted in duplicate copies to the postal address below or sent to the email addresses no later than **20<sup>th</sup> March, 2020** (before 16:00 hours). Only short-listed candidates will be notified on next follow-on steps.

Please mention the following in the subject line of the email:

Modernization of Public Financial Management Project  
Reference: MPFMp-A-C701

To the Attention of:

U Min Htut, Director General  
Internal Revenue Department  
c/o Modernization of Public Finance Management Project Unit  
Ministry of Planning and Finance  
Building No 46, Nay Pyi Taw, Myanmar  
Email ids: [htethtetsuir.d.trd@gmail.com](mailto:htethtetsuir.d.trd@gmail.com) , [ayeyekyu72@gmail.com](mailto:ayeyekyu72@gmail.com) , & [myaooird@gmail.com](mailto:myaooird@gmail.com)

AND copy to:

U Zaw Naing,  
Chair of the Procurement Coordination and Advisory Unit (PCAU)  
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