



**PRIVATISATION
COMMISSION**

REQUEST FOR PROPOSALS

**HIRING OF SERVICES OF AUDIT
FIRM FOR EXTERNAL AUDIT
FROM FY 2013-14 TO FY 2020-21**

The Privatisation Commission (PC) is a corporate body constituted under the Privatisation Commission Ordinance 2000. Implementation of the Federal Government's Privatization Program is a prime function of PC. PC invites sealed proposals from the Chartered Accountant Firms for external audit of financial statements of PC from FY 2013-14 to FY 2020-21 as per following criteria:-

Firm should be:-

1. In Active Taxpayer List of Provincial/ ICT Sales Tax and Income Tax of FBR;
2. In Panel of Auditors of State Bank of Pakistan;
3. In ICAP QCR rating firms as of **March 01, 2021**;
4. Well experienced of audit of Public Sector Organizations.

The request for proposal, containing detailed terms and conditions, etc are available at www.privatisation.gov.pk and PPRA website www.ppra.org.pk The proposal prepared in accordance with the instructions given in the RFP document must reach at the address given below within **15 days** of publication of advertisement by **1500 hours**. RFP will be opened same day at **1530 hours**. PC reserves the right to accept or reject any/all proposals according to provisions of PPRA Rules 2004.

Naila Kanval

**Director (Administration)
Privatisation Commission**

4th Floor, Pak-Secretariat (Kohsar Block),
Constitution Avenue, Islamabad, Pakistan.

Ph: +92-51-9205146



12x2

Request for Proposal
for hiring the services of audit firm
for external Audit of Financial Statements from FY2013-14 to FY 2020-21

Privatisation Commission
4th Floor, Pak-Secretariat (Kohsar Block),
Constitution Avenue, Islamabad, Pakistan
Ph: +92-51-9205146

PRIVATISATION COMMISSION

Request for Proposal (RFP)

HIRING OF SERVICES OF AUDIT FIRM FOR EXTERNAL AUDIT

FROM FY 2013-14 TO FY 2020-21

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Engagement will be on standard letter of Selected Firm, covering details as per this RFP.

1) **Proposal Preparation Instructions**

1 **Firm's Understanding of the RFP**

In responding to this RFP, the firm accepts full responsibility to understand the RFP in its entirety, and in detail, including making any inquiries as necessary to gain such understanding.

1.2 **Communication**

Verbal communication shall not be binding unless formally confirmed in writing by a specified PC official in charge of managing this RFP process. In no case shall verbal communication govern over written communication.

1.3 **Firms' Inquiries**

Applicable terms and conditions herein shall govern communications and inquiries between PC and firms as they relate to this RFP. Inquiries, questions, and requests for clarification related to this RFP are to be directed by Ms. Naila Kanval, Director Administration at 051-9205146.

1.5 **Proposal Submission**

The Proposal will comprise of single package containing two separate sealed envelopes. One envelop will contain the "Financial Proposal" and the second envelop will contain the "Technical Proposal". Proposals under the "Single Stage Two Envelop Procedure" shall reach to this office within 15 days of publication of this advertisement 1500 hours and will be opened at the same day at 1530 hours. Technical proposals will be opened first. Only technically short listed firms will be informed of the date of opening of financial bids.

1.6 **Criteria for Selection**

The proposals shall be evaluated under "Quality & Cost base Selection" as given at regulation 3(B) of PPRA Consultancy Services Regulations. The evaluation of each response to this RFP will be based on its demonstrated competence, compliance, format, and organization. The purpose of this RFP is to identify those firms that have the interest and capability to do audit.

Evaluation Criteria:

- i. Technical proposals will have 70% weight age in evaluation. Marks will be awarded as per the criteria given at Annex-D. Minimum qualifying marks are 70% i.e. firms obtaining at least 70% marks in technical evaluation shall be eligible for financial evaluation.
- ii. Financial proposals will have 30% weight age in evaluation. Marks for financial evaluation will be awarded as per the criteria given at Annex-D.
- iii. Only technically qualified firms will be informed to attend the financial bid opening. The financial bids of technically disqualified bidder will be returned un-opened. Bidders are encouraged to structure their proposal generally along these evaluation

criteria. Information provided that does not pertain to these evaluation criteria will not be taken into account.

1.7 Selection and Notification

Firm who gets the maximum marks after technical & financial evaluation will be awarded the contract. In case the firm which secured the maximum marks is not willing to conduct audit then PC will approach the firm who secured second position and so on.

2) Sample Letter of Intent

2.1 Proposal for External Audit of PC:

This will express willingness to carry out the financial statements and transaction audit of PC.

2.2 Following information along with supporting documents must be accompanied with Technical Proposal:

S. No.	Description
1	Firm's profile with complete history of firm existence: The profile of the firm shall include: <ul style="list-style-type: none">- Detail of Partners with their membership number and interests, if any, in any other firm(s)/business(es)
2	SBP Category panel of Auditors
3	ICAP QCR Rating history of last twenty years <ul style="list-style-type: none">- Copy of last QCR report issued by ICAP
4	No. of public sector audit clients
5	No. of Chartered Accountants (other than partners) in firm <ul style="list-style-type: none">- Detail of Chartered Accountants employed by the firm and number of years experience with the firm and their interest in other firm(s)/business(es) if any
6	Investigations pending with ICAP or in court of law against firm or partners <ul style="list-style-type: none">- List of pending investigation(s) with ICAP/NAB/FIA/Any other agency against firm or any of its partner or employees- List of case pending in the court of law filed by or against the firm/partner or employees
7	Internarial affiliation or networking status of firm <ul style="list-style-type: none">- Proof of current status of international networking/association (current letter from international office)
8	An affidavit conformity that the information given by the firm or its authorized representatives is correct and depicting true and fair view

3) Terms of Reference (ToR) for Annual Audit FY 2013-14 to FY 2020-21

Audit Objectives

To carry out annual financial audit of PC, review its system of internal control, identify weak areas, and improve reporting of financial statements.

Scope of Work

The Audit shall be carried out in accordance with the International Standards of Auditing (ISA) and shall include such tests and controls that the auditor considers necessary under the circumstances. The Auditors shall also consider the adequacy of controls necessary to secure propriety and transparency in all areas.

Accounting

The audit work shall cover the adequacy and compliances of the accounting and financial operations and reporting systems. These include cash management, certification and approving authority, receipt of funds, and disbursement of funds, recording of all financial transactions in expenditure reports, records maintenance and control.

Methodology

To be determined by auditor.

Pre audit briefing:

- Director General Admn & Finance
- Director Finance
- Consultant Finance

Access

- To all records/materials of the related transactions
- PC's policies and Financial Guidelines
- Stock and documentation
- All financial, administration, and other related records.

Final Report

Auditor shall document details of audit final day of the assignment. Report shall include:

1. Audit Opinion

The audit firm shall give its opinion on Financial Statements as per Standard.

2. Management Letter

In addition to report on Financial Statements, Auditor shall prepare a "Management Letter" (to be provided along with Audit Report) which shall cover the shortcomings, weaknesses and allied observation.

Time Schedule

Audit reports and financials are required till Sep 30, 2021.

Transaction

Submission of Proposals

Both financial and technical proposals should be submitted to:

Ms. Naila Kanval, Director Administration

Privatisation Commission

4th Floor, Pak-Secretariat (Kohsar Block), Constitution Avenue,

Islamabad, Pakistan

Ph: +92-51-9205146

Last date for submission of proposals is 15 days of publication of advertisement (1500 hours).

4) Technical and Financial Evaluation Criteria**i. TECHNICAL EVALUATION CRITERIA****a. Mandatory Requirements:**

- i. CA Firm shall be on ATL of provincial/ICT sales tax and income tax of FBR;
- ii. Firm shall have a satisfactory QCR rating by ICAP as on 1st March 2021.
- iii. Firm shall submit an undertaking that ICAP Code of Ethics will be followed.

b. Technical proposal will be further processed as follows:

No.	Criteria	Details	Marks
1	Existence of firm	More than 25 years	10
		15-24 years	7.5
		5-14	5
		Less than 5	Zero
2	SBP category panel of auditors	Category "A"	10
		Category "B"	7.5
		Category "C"	5
		If not in panel	Zero
3	ICAP QCR rating	More than 20 years	10
		10-20 years	7.5
		Less than 10 years	5
		Not in QCR rating	Zero

4	No. of Public Sector Clients	More than 10	10
		6-10	7.5
		1-5	5
		Less than 5	Zero
5	No. of Chartered Accountants in firm other than partners	More than 10	10
		6-10	7.5
		1-5	5
		If no chartered accountant	Zero
6	Investigations pending with ICAP and in court of law against firm/partner	No	10
		1	7.5
		2	5
		More than 2	Zero
7	International Affiliation/Networking Firm	Networking	10
		Affiliation	5
		Otherwise	Zero

Note: Minimum qualifying marks are 70% i.e.; firms obtaining at least 49 marks in technical evaluation shall be eligible for financial evaluation.

ii. **FINANCIAL EVALUATION CRITERIA:**

Marks will be awarded as per the following formula:

Financial score = $30 \times \frac{\text{Amount quoted by the lowest bidder}}{\text{Amount quoted by the bidder whose financial score is to be calculated}}$.

iii. **SELECTION OF FIRM:**

Firm who gets the maximum marks after technical & financial evaluation will be awarded the contract.

5) **Financial Bid Form**

From,

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.....
.....

Contact No. (Mobile and Landline)

To, Director Admn,
Privatisation Commission
4th Floor, Kohsar Block,
Pak Secretariat, Islamabad

Having read and understood the contents of detailed advertisement, Instructions, terms and conditions, I/we hereby submit (in separate sealed cover) our **Financial Bid for the audit of Financial Statements of PC:**

Financial Year	2014	2015	2016	2017	2018	2019	2020	2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Audit fee excluding out of pocket expenses								
Out of pocket expenses								
Total								

Note: All applicable taxes shall be included in the above figure.

Sign and seal of officer with date

6) Sample of Agreement with Successful Firm:

Agreement will be made between PC and successful Audit Firm covering the terms of this RFP, whereby Audit Firm will be bound to provide the required reports complete in all respect by given date as per RFP, however no penalty or other clause for undermining independence of Auditor could be included in the agreement.