

Terms of Reference

HIRING OF SERVICES OF AUDIT FIRMS (CHARTERED ACCOUNTANTS) FOR THE AUDIT OF KHYBER PAKHTUNKHWA GENERAL PROVIDENT INVESTMENT (GPI) FUND, PENSION FUND, CONTRIBUTORY PROVIDENT (CP) FUND AND HYDEL DEVELOPMENT FUND

1. The Boards of Khyber Pakhtunkhwa for the above Funds invite Expression of Interest from Audit Firms (Chartered Accountants) listed as Category "A" on the panel of auditors maintained by State Bank of Pakistan.

Background:

2. The Government of Khyber Pakhtunkhwa Finance Department established **GPI & Pension Funds** in the year 1992 and 1998 respectively. The Funds have been given legal cover through enactments called as "Khyber Pakhtunkhwa General Provident Investment Fund Act 1999" and "Khyber Pakhtunkhwa Pension Fund Act 1999". At present, volume of GPI Fund is Rs.35.665 billion and Pension Fund is Rs.20.804 billion.

3. The **Hydel Development Fund (HDF)** was established in 1992. The Fund was given legal cover through Khyber Pakhtunkhwa, Hydel Development Fund Ordinance 2001. The objective of the Fund is to develop hydel potential of Khyber Pakhtunkhwa. At present, volume of HDF is Rs.23.766 billion.

4. The **Contributory Provident Fund (CPF)** was established in 2006. The Fund was given legal cover through Khyber Pakhtunkhwa, Civil Servants Act, 1973 as amended in 2001 (CP Fund Rules, 2006). At present, volume of CPF is Rs.5.091 billion.

5. The management Boards of above mentioned Funds has approved conduct of financial audit of accounts through well reputed Audit Firms (Chartered Accountants).

6. The firm shall provide the following information:

A. General Information

- 1) Name, Address, Phone / Fax number, Email address and Web-site.
- 2) Proof of registration of the Firm under the applicable Laws alongwith copy of Partnership Deed and number of partners.
- 3) Detailed description of the Firm identifying the services being offered, office location in Pakistan, especially in Islamabad, access to resource pools, accreditation of relevant institutions etc. together with Client Portfolio.
- 4) Indication of affiliation with any international Organization of Accountants.
- 5) Affidavits on stamp paper duly attested by the Oath Commissioner to the effect that the Firm has neither been black listed nor any contract rescinded in the past for non fulfillment of contractual obligations or its affiliated firm/department. More so a certificate to the effect that the statement provided to the Authority is true and correct.
- 6) Current commitments of the Firm (With significant details of the commitments).

B. Specific Information

- 1) Past relevant experience providing services to professional organization of similar nature including autonomous bodies, public sector, financial institutions, corporate sector etc.
- 2) National Tax Number and Income Tax return for past two (02) years.
- 3) Organization of the firm, list of permanent staff and CVs of the key team members for this assignment.
- 4) Financial standing supported by reference/documents.
- 5) Fee to be charged (sealed Financial Bid).

C. Criteria for Pre-Qualification

- 1) Firm will be shortlisted on the basis of above mentioned required information.

- 2) Any efforts by the applicants to influence the management, including false and misleading required information submitted with the proposal or in any clarification shall result in automatic disqualification.
- 3) Pre-qualified firm will have to sign a legal agreement with the Government of Khyber Pakhtunkhwa for the period mutually agreed. All the services shall be in accordance with the agreement signed between the parties' i.e. Government of Khyber Pakhtunkhwa and the selected firm.

D. Technical proposal evaluation criteria for hiring of Audit Firms (Chartered Accountants)

Weight assigned=80

| S. No | Particulars of the Firm | * Total Marks (100) | Criteria for Marking |
|-------|--|---------------------|--|
| 1 | Membership /Affiliation with International | 10 | Membership: 10 Marks Affiliation: 5 Marks |
| 2 | No. of Partners of the Firm | 20 | 25 & above: 20 Marks 15-24: 15 Marks 10-14: 10 Marks Lest than 10: 5 Marks |
| 3 | Total Regular Professional Staff of the Firm | 25 | 1000 & above: 25 Marks 700-999: 15 Marks 500-699: 10 Marks Less than 500: 5 Marks |
| 4 | No. of Chartered Accountants employed in firm | 20 | 50 & above: 25 Marks 30-49: 15 Marks Less than 30: 10 Marks |
| 5 | No. of Audits conducted by the Firm of similar nature Public Funds | 25 | 15 & above: 25 Marks Less than 15: 10 Marks |

* (1) The Firms fulfilling the technical criteria with at least 75% marks shall be selected for opening of their Financial Bids.

(2) Remaining 20% marks are allocated for fee structure (Financial Bids).

E. Deliverables

The firm shall conduct/carryout audit of GPI, Pension, CP Fund and Hydel Development Funds for the following years and submitted separate reports for each Financial Year of each Fund within two months. Presentation on draft and Final reports will also be given to the respective Boards/Investment Committees. The firm shall also submit Management Letters during the course of audit as and when a need is felt to bring specific area of interest into the notice of respective management Boards.

| S. No. | Khyber Pakhtunkhwa Funds | Period | Duration |
|--------|--------------------------|--------------------------|----------|
| 1 | GPI Fund | July, 2011 to June, 2014 | 3 years |
| 2 | Pension Fund | July, 2011 to June, 2014 | 3 years |
| 3 | CP Fund | July, 2007 to June, 2014 | 7 years |
| 4 | Hydel Development Fund | July, 1992 to June, 2014 | 22 years |

F. Payment

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|--|-------------|
| Mobilization advance upon signing of Agreement | 20% |
| Payment upon submission of draft reports | 30% |
| Payment upon submission of final reports | 30% |
| Payment upon final presentation on the reports | 20% |
| Total | 100% |

G. Clarification if any, may be obtained from:

Hammad Raza

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