

**PRE-QUALIFICATION DOCUMENT
(PQD)**

**INTERNAL AUDIT
UNDER
JOBS AND COMPETITIVENESS (J&C)
AND
STRENGTHENING MARKETS FOR AGRICULTURE AND RURAL
TRANSFORMATION (SMART) PUNJAB PROGRAMS**

**PROGRAM DIRECTOR
PROGRAM IMPLEMENTATION UNIT,
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11-A, UPPER MALL SCHEME,
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M. Iqbal

EXPRESSION OF INTEREST

(CONSULTANCY SERVICES-FIRM SELECTION)

Program Implementation Unit, Planning & Development Department, Government of Punjab is established under P&D Department to look after the monitoring & coordination of key foreign funded programs. For this purpose, PIU invites sealed expression of interest from the eligible firms for the assignment of “Internal Audit under Jobs and Competitiveness (J&C) and Strengthening Markets for Agriculture and Rural Transformation (SMART) Punjab Programs”.

Interested firms are required to provide information demonstrating that they have the required qualification and relevant experience to perform the services mentioned above. The firms may associate with other firms in the form of joint venture to enhance their qualifications. The firms for above referred assignment will be selected in accordance with the Quality and Cost Based Selection (QCBS) method as defined under Punjab Procurement Regulatory Authority (PPRA) rules, 2014.

The advertisement and detailed EOI may be browsed online from websites i.e. www.ppra.punjab.gov.pk and www.piu.punjab.gov.pk. and can be obtained from the address below during office hours. EOI must be received **by 03:00 PM in our office on or before 14.05.2018.**

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TERMS OF REFERENCE

Hiring of Internal Audit Firm for Program Level Audit of Donor Funded Programs under Program Implementation Unit (PIU), Planning and Development Department

Brief Background

The Program Implementation Unit (**PIU**) is responsible for the execution and implementation of a number of key multi-sector, cross-country reforms programs of the Government of the Punjab. These programs are backed by development partners and are broadly concerned with improvement in governance, service delivery and the establishment of an enabling business environment in the province. Currently, PIU is the agency responsible for the coordination of two donor funded program. These are:

- i. Strengthening Markets for Agriculture and Rural Transformation (SMART) in Punjab Program
- ii. Jobs and Competitiveness (J&C) Program

PIU is looking to improve and strengthen its internal accounting control environment and is looking to hire a firm to conduct an internal audit. The firm will be responsible for conducting an in-depth internal audit of selected implementing agencies of the programs, as and when required. The program funding LO/LQs/Heads of budget being used for expenditure purposes will be shared with the audit firm by PIU, P&DD, as per expenditure framework of both these programs.

Objectives

The objective of the assignment is to provide professional internal auditing services to PIU and **10 (Ten)** randomly selected implementing agencies in order that the organizations may improve upon their systems and processes. The following is a non-exhaustive list of implementing agencies of the J&C and SMART programs:

Sr. No.	Implementing Agency
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1.	Agriculture Department
2.	Food Department
3.	Environment Protection Department
4.	Irrigation Department
5.	Livestock and Dairy Development Department
6.	Program Implementation Unit, P&D
7.	Industries, Commerce and Investment Department
8.	Lahore Development Authority
9.	Local Government and Community Development Department (LG&CDD)
10.	Investment Climate Reform Unit (ICRU)
11.	Punjab Information and Technology Board (PITB)
12.	Punjab Board of Investment and Trade (PBIT)
13.	Punjab Industrial Estate Development and Management Company (PIEDMC)
14.	Punjab Land Revenue Authority
15.	Punjab Small Industries Corporation (PSIC)
16.	Faisalabad Industrial Estate Development and Management Company (FIEDMC)
17.	Urban Unit

Table 1: Implementing agencies under J&C Program

Scope of Work, Duties and Responsibilities

The following is the scope of work, duties and responsibilities of the consultant. These include but are not limited to:

Internal Processes

- The firm is required to provide a detailed review of current systems including an analysis of current controls and procedures and provide an overview of systematic risks arising due to current systems. The firm is expected to do this with respect to current best practices. This extends to evaluating accounting controls, procedures and policies.



- The firm is required to conduct a program level internal audit for both aforementioned programs which will include internal audits for **10 (ten)** randomly selected program implementing agencies, as and when required.
- The firm is required to provide solutions with respect to any control gaps found between current practices at the PIU and selected implementing agencies with respect to best practices.
- The firm is required to have a clear understanding of Government accounting policies and procedures and audit requirements when proposing solutions or improvements to PIU's systems and/or selected implementing agencies.
- The firm is to propose and implement adequate monitoring mechanisms at PIU and/or selected implementing agencies in order to ensure best practices. It is expected that solutions provided by the firm will be in complete compliance with Government policy, standards and requirements.
- The firm is to provide an opinion on financial information provided to management and assess any risks arising from the operations of the current system. The firm will also provide solutions in cases where the reliability, relevance or timeliness of information provided to management is at risk.
- The firm may be asked to provide sources and procedures for maximizing information flows to upper management. This may include establishment of processes to provide relevant information streams to upper management at the end of each pre-defined period.
- The firms may be asked to assess current procedures regarding fixed assets.
- The firm is to evaluate and review internal controls with a focus on identifying gaps that might result in any sort of irregularities or malpractices. The firm will be expected to provide a solutions and/or mitigating measures to such gaps.



Audit Plan

- The firm is to develop, in consultation with higher management, a strategic Internal Audit Plan for each of the programs based on assessment of key risk factors facing PIU and selected implementing agencies, with regard to its current operations, specifications and requirements for future audits and schedule of audits to be conducted at the organization.
- The firm may also be asked to prepare audit reports in line with the approved audit plan;
- The firm may be asked to perform other tasks as and when required by upper management.

Deliverables and Reporting Requirements (Tentative)

The firm will be expected to deliver on the following outcomes for this assignment:

Sr. No.	Report	Delivery Time Period
1.	Inception Report	7 days after contract
2.	First Internal Audit Report with Implementation Status	30 days after half-year end
3.	Implementation Status Report	15 days before Q3 end
4.	Final Internal Audit Report with Implementation Status	30 days after year end

Table 2: Assignment deliverables

At the time of submission, the firm will provide PIU with an **electronic copy** of each report as well as **three (3)** printed reports. The firm will provide draft reports which will be approved by upper management before issuance of final reports.

Authority and Independence

The Internal Auditor will have full, free and unrestricted access to the project's records, physical properties, personnel and other entities relevant to an area under review. The Internal Auditor will have no responsibility for or authority over any of the activities or operations subject to its review.



The Internal Auditor shall not perform any operational duties, develop and install systems and procedures, initiate or approve accounting transactions, prepare records, or engage in any other activity which it would normally review and appraise and which could reasonably be construed to compromise in appearance or fact, the independence and/or objectivity of the Internal Auditor.

Period of Assignment

The period of assignment is expected to be **2 (two)** years. The firm will be expected to work intermittent as and when required. It is expected that a total of **8 (Eight)** man months per employee will be required for the completion of this assignment.

Quality Assurance and Professionalism

The Internal Audit Firm shall ensure that all work conforms to the highest professional and quality standards. Any issues with quality will result in penalties being charged to the firm.

Project Team

The firm is expected to depute the following staff for the purpose of this assignment:

Sr. No.	Description	Strength	Criteria
1.	Team Lead	1	CA/CPA/ACCA with 7 years' work experience
2.	Associates/ Experts/ Accountants	4	CA/CPA/ACCA with 3 years' work experience

Table 3: Team of experts required



SHORTLISTING CRITERIA

The minimum qualifying marks is 65

Sr. No	Criteria	Maximum Marks	
1.	Existence as a legal Entity (Legal incorporation or establishment and registration)		Qualifying Criteria
2.	Not blacklisted by any public or private agency/authority		Qualifying Criteria
3.	An operational History of at least 5 years, with experience in implementing project activities	10	3-5 years 5 Marks 6-8 Years 7 Marks One for each extra year (maximum 10-marks)
4.	Relevant Experience in Similar Projects completed during last 5 years	50	1-2 Completed Projects 25 Marks 3-5 Completed Projects 40 Marks 6 and more Completed Projects 50 Marks
5.	Firm's Management Team	20	Permanent Employees 5-10 10 Marks Permanent Employees 11 to 15 15 Marks Permanent Employees more than 15 20 Marks
6.	Work Volume in Monetary Terms.	20	2-3 Projects worth 5-8 Million 10 Marks 2-3 Projects worth 8-10 Million 15 Marks 2-3 Projects worth more than 10 Million 20 Marks



EOI SUBMISSION

A consulting firm/ consortium will purely be selected on merit in accordance with the criteria mentioned in the PQD and procedure laid down in the PPRA Rules 2014. However, pre-qualification/ shortlisting of any firm/consortium does not guarantee award of work and it would depend on evaluation of their proposals (technical and financial) submitted by the pre-qualified/shortlisted firm at later stage. Expressions of interest must be delivered by hand or dispatched by post at the address given **by 03:00PM in our office on or before 14.05.2018.**

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