



PRE-QUALIFICATION OF AUDIT FIRMS (EOI DOCUMENT)

ICT R&DF/EOI Audit Firms/2016-17/0002/Proc.

1. NATIONAL ICT R&D FUND

The emerging information and knowledge age and the accompanying technological revolution are heralding a new economic and social order characterized by the development and exploitation of information and communication technologies (ICT) within all spheres of human endeavor. This era is giving rise to the emergence of information and knowledge based economies with traditional economic, industrial and commercial activities being made more efficient and productive by incorporating knowledge driven processes.

The knowledge and information economy has emerged as a new source for the creation of quality jobs, wealth generation and redistribution, rapid economic development and prosperity as well as a means of facilitating competitiveness. With the emerging information age, information and communication technologies are seen by a number of countries as critical for achieving progress in economic and social development. These technologies are offering developing countries like Pakistan a window of opportunity to leap-frog the key stages of industrialization and transform their agriculture dominated economies into service-sector driven, high value-added information and knowledge based economies that can successfully compete in the global village.

Pakistan has witnessed a phenomenal growth in its telecom industry. The Government of Pakistan has mandated that a certain percentage of gross revenue generated by all telecom service providers be allocated to development and research of information and communication technologies with the vision ***to transform Pakistan's economy into a knowledge based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of industrial and academic resources.*** To achieve this vision National ICT R&D Fund has been created. This vision will be realized by pursuing the following goals:

1. To provide an enabling environment that facilitates deployment and utilization of ICT education for HR capacity building and enhanced national productivity;
2. To cultivate industry-academia partnership by funding concrete development and research initiatives;
3. To facilitate industrial demand focused HR capacity building and R&D capabilities in the country and promoting ICT related educational programs and activities;
4. To use ICT as a tool for upward mobility of economically challenged citizens of the country;
5. To help develop knowledge based ICT industry for delivery of value-added ICT products and services;
6. To facilitate research and development in those sections of ICT that enhances quality of life for citizens of Pakistan.

2. SCOPE OF THE AUDIT

While conducting the audit in line with the relevant international standards and best practices, the auditors are expected to express an opinion on whether:

- a. To express audit opinion whether the projects financial statements/books of accounts reflect fairly the expenditure incurred by the Principal Investigator (PI) in accordance with the approved budget.
- b. To verify the expenditures incurred are in accordance with given budget heads.
- c. To check all the vouchers/bills/invoices/POs and any/all the relevant supporting documents are available in the accounting records, especially those relating to payment of salaries.
- d. To verify that all the assets/equipment have been purchased in a transparent, competitive manner and the same are entered/recorded in a verifiable manner and are physically under safe custody of the PIO.
- e. To check that all procurements have been made in compliance to the procurement rules/policies of the PI or PPRA, wherever applicable. Also, should highlight the issues, if any, related to transparency in the PI's in-place policies.
- f. To verify that all the govt. applicable taxes/charges/levies have been deducted and paid by the PI
- g. To report if there has been any variances in the budget vs. actual expenses and what is the nature and reason for such variance.
- h. To check if there has been any activity outsourced by the PI and what are the respective terms of engagement.
- i. To identify and verify volume/amount of cash transactions involved.
- j. To check that the project's account bank statement;
 - i. is reconciled with the PI's accounts record/cash book; and
 - ii. presents fairly the cash/bank balance of the Company's released grant as at a given date.

In addition to the above, Auditors may also like to place remarks on the adequacy of the PI's implemented internal financial controls with brief emphasis on areas vulnerable to fund's leakages, inadequate record keeping and lack of transparency, if any; the adequacy of the institution's current financial policies and procedures, procurement rules; and the adequacy of the institution's financial and auditing organizational structure.

3. PRE-QUALIFICATION APPLICATION FORMAT AND CONTENT

3.1. Mandatory requirements

All EOI should meet the mandatory eligibility criteria. EOI that do not meet mandatory eligibility criteria shall be rejected and shall not be considered further.

Potential bidder should hold rating of 'A' as per the prevalent list of SBP approved panel auditors besides holding satisfactory QCR by ICAP. The application must include the complete name and address of the potential audit firm and the name, mailing address, and telephone number of the concerned authorized representative.

#	Mandatory Eligibility Criteria	Yes	No
1	Proof of Certificate of Incorporation or Registration or equivalent	<input type="checkbox"/>	<input type="checkbox"/>
2	Proof of NTN Certificate and GST Registration Certificate (<i>if applicable</i>)	<input type="checkbox"/>	<input type="checkbox"/>
3	Affidavit (not older than one month) on Stamp Paper (Rs.100) that the bidder is an active tax payer and has submitted its tax return for the preceding fiscal year. Tax payer list serial number (downloadable from FBR's website) is also to be mentioned.	<input type="checkbox"/>	<input type="checkbox"/>
4	Affidavit (not older than one month) on Stamp Paper (Rs. 100) that Bidder is not insolvent, bankrupt and is not blacklisted or debarred by Public Procurement, Government, Semi-Government, Private, Autonomous body or any other international organization	<input type="checkbox"/>	<input type="checkbox"/>

Application must be signed by an authorized Company's officer empowered to bind the bidder. A bidder's failure to include these items in the proposal may cause the proposal to be determined as non-responsive and the proposal may be rejected.

3.2. Experience and Qualifications

The interested parties must show that they have the capacity to execute the audit in multiple geographically dispersed locations i.e. from interior Sindh to central Punjab and Federal capital to Quetta.

The interested Parties must share their past experience and proven track record of conducting and executing similar assignments.

The interested Parties must provide evidence that they meet the minimum responsiveness criteria listed above otherwise their submission/application will be determined non-responsive.

3.3. SCHEDULE

The schedule set out herein represents the Company's best estimate of the schedule that will be followed for bidding process. If a component of this schedule, such as the opening date, is delayed, the rest of the schedule will be shifted by the same number of days. The approximate schedule is as follows:

S#	ACTIVITY	DATES
1	EOI Issue Date	September 06 th 2016
2	Deadline for queries / questions	September 08 th , 2016
3	Response to queries and questions related to EOI	September 09 th , 2016
4	EOI Submission Deadline*	September 26 th , 2016
5	Opening of EOI	September 26 th , 2016
6	Pre-qualification of the Firms	Firms will be pre-qualified on basis of their EOI. Manager Procurement will notify all the Firms whether or not they have been pre-qualified.

3.4. Clarification and Amendment of EOI Document

Firms may request in writing for clarification of any of the provisions of the EOI documents no later than 10 (ten) days before the proposal submission date. Any subsequent queries will neither be entertained nor responded. Any request for clarification must be sent in writing by mail, facsimile, or electronic mail to the Company's address indicated below. The Company will respond by facsimile or electronic mail to such requests and may choose to send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all participating firms who intend to submit proposals.

The address for requesting technical clarifications is:

Manager Corporate Finance

National ICT R&D Fund
 6th Floor, HBL Tower, Jinnah Avenue, Blue Area
 Islamabad, Pakistan
 Tel: (92-51) 9215360-65,
 Fax: (92-51) 9215366
 Email: abdullah.saeed@ictrdf.org.pk

At any time before the submission of proposals, the Company may, for any reason, whether at its own initiative or in response to a clarification requested by an intended firm, amend the EOI and notify the parties. Any amendment shall be issued in writing through addenda and it shall be sent by mail, facsimile, or electronic mail to all interested firms and will be binding on them.

3.5. Fee Schedule

Based on the historical trend and nature of the funded projects, the tentative audit fee (excluding out of pocket expenses to be mutually decided), is expected to remain within the following cost limits:

Project Duration	Up to 12 months	Up to 24 months	Up to 36 months	More than 36 months
Projects Budget				
Upto Rs.7.5 Million	57,500	80,500	103,500	115,000
Over Rs.7.5 Million to Rs.15 Million	80,500	103,500	115,000	143,750
Over Rs.15 Million to Rs.25 Million	103,500	115,000	143,750	184,000
Over Rs.25 Million to Rs.40 Million	115,000	155,250	184,000	212,750
Over Rs.40 Million	155,250	184,000	212,750	230,000

In addition to above fee limit, the auditors may charge out of pocket expenses maximum upto 10% of the audit fee.

4. STANDARD INSTRUCTIONS

The Pre-Qualification Application and the accompanying documents must be sent at the following address:

NATIONAL ICT R&D FUND
MANAGER PROCUREMENT
 TITLE: “Pre-Qualification of Audit Firms-Annual/Terminal Audit of Development Programs/Projects”
 6TH FLOOR, HBL TOWER
 JINNAH AVENUE, BLUE AREA
 ISLAMABAD

**Failure to submit the application before lapse of the deadline will result in automatic disqualification. Late applications or amendments will not be accepted.*

The application receipt by the Company does not entail any financial or any other commitment on its part. Company also reserves full rights to accept or reject any/all the submitted Applications and to annul the entire process in line with the PPRA Rules.