

PIPOS- REQUEST FOR PROPOSAL (RFP)

FOR PROCUREMENT OF CONSULTANCY SERVICES

Hiring the Services of External Auditor for Performance Audit in relation to the salaries disbursements, procurement process and Financial Audit of the Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS)

For Financial Years 2021-22, 2022-23, 2023-24 & 2024-25.

Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS)
Khyber Pakhtunkhwa

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SECTION 1. LETTER OF INVITATION

PAKISTAN INSTITUTE OF PROSTHETIC & ORTHOTIC SCIENCES (PIPOS)

INVITATION FOR BID

Hiring Services of the External Auditor for Performance Audit (Salaries disbursed), Procurement Audit and Financial Audit of PIPOS for Financial Years 2021-22, 2022-23, 2023-24 & 2024-25

Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS) (hereinafter called "The Client") invites sealed bids from well-reputed audit firms to provide consulting services for comprehensive external audit covering four (4) financial years from 2021-22 to 2024-25, under a **Single Stage Two Envelope bidding procedure on Quality and Cost Based Selection (QCBS) at 80:20 ratio**, in accordance with KPPRA Procurement Rules 2014[1][2].

General Terms and Conditions

1. Eligibility requirements:

- The bidder shall be listed as **Category "A"** on the panel of auditors maintained by the State Bank of Pakistan (www.sbp.org.pk)[1].
- The bidder shall be registered with the Federal Board of Revenue (FBR) & Khyber Pakhtunkhwa Revenue Authority (KPRA) and shall have preferably "**Active**" **status** on the last date for bid submission. Firms with "**Inactive**" status must register prior to issuance of Letter of Award (LOA) if their bid is successful [1].
- The bidder must have satisfactory Quality Control Review (QCR) rating for the last three years issued by the Institute of Chartered Accountants of Pakistan (ICAP) [1].
- An affidavit on stamp paper indicating that the firm is not blacklisted by any Government/Autonomous Body [1].

2. Document Availability:

- Complete set of Request for Proposal (RFP) documents available on written application to the office of the undersigned upon payment of **Rs. 5,000/-** in the form of CDR/Pay Order in the name of Managing Director, PIPOS during office hours prior to the closing date.
- Documents also available for download from PIPOS website: www.pipos.gkp.pk Health Department website: www.healthkp.gov.pk and KPPRA website: www.kppra.gov.pk.

3. Pre-Bid meeting:

- A mandatory pre-proposal meeting will be held on **16/02/2026 at 11.00 A.M** in the Conference Room of PIPOS, located at Phase 5 Hayatabad.
- Queries/clarifications may be submitted in writing at least five (5) days before proposal submission date.

4. Submission requirements:

- Bidders must submit hard copies of their proposal (Technical & Financial) in separate sealed envelopes to the office of the undersigned on **26th February 2026 at 11.00 AM**.
- Proposals must also be uploaded on e-PAD (e-Procurement System)
- Technical Proposals will be opened in the presence of bidders or their authorized representatives on the same day at **12.30 AM** in the Conference Room of PIPOS.

5. General conditions:

- Incomplete/Conditional/Ambiguous applications shall not be considered.
- PIPOS reserves the right to reject any one or all bids as per Rule 47 of KPPRA Rules 2014[2].
- The proposal shall remain valid for **ninety (90) days** from the date of submission.

Contact Information

Managing Director,

Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS)

Phase 5 Hayatabad Peshawar Telephone: 0919217534 Email: info@pilos.gkp.pk

SECTION 2. INSTRUCTIONS TO CONSULTANTS

1. INTRODUCTION

- 1.1** You are hereby invited to submit a technical and a financial proposal for consultancy services required for the assignment mentioned in the attached Data Sheet. Your proposal could form the basis for future negotiations and ultimately a contract between your firm and the Institute.
- 1.2** A brief description of the Assignment and its objectives are given in the Data Sheet. Details are provided in the attached Terms of Reference (TOR).
- 1.3** The Assignment covers four (4) financial years: 2021-22, 2022-23, 2023-24, and 2024-25.

1.4 The Client, Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS), an institution under the Government of Khyber Pakhtunkhwa Health Department, receives its budget allocation from the Provincial Annual Development Program (ADP) of the Provincial Govt. This budget is intended to cover the costs of various services and operations.

1.5 To obtain first-hand information on the Assignment, you are encouraged to attend the pre-bid meeting specified in the Data Sheet. You must fully inform yourself of local conditions and take them into account in preparation of your proposal.

1.6 The Client shall provide the inputs specified in the Data Sheet, assist the Consultants in obtaining licenses and permits needed to carry out the services, and make available the relevant financial records, documents, and reports for the period from July 2021 to June 2025.

1.7 Please note that:

- The cost of preparing the proposal and of negotiating the contract, including visits to the client office, are not reimbursable as a direct cost of the Assignment.
- The client is not bound to accept any proposals submitted after due date.

1.8 An invitation to submit proposals has been sent to eligible audit firms through advertisement on KPPRA website, PIPOS website, and local newspapers[2].

1.9 We wish to remind you that in order to avoid conflicts of interest:

- Any firm providing goods, works, or services with which you are affiliated or associated is not eligible to participate in bidding for any goods, works, or services resulting from or associated with this Assignment.
- Any previous or ongoing participation in relation to PIPOS by your firm shall be subject to the appointment of a different Engagement Partner than the one previously associated with the same institution[1].

2. DOCUMENTS

- 2.1** To prepare a proposal, please use the attached Forms/Documents listed in the Data Sheet (Section 3).
- 2.2** Consultants requiring clarification of the documents must notify the Client in writing not later than **five (5) days before the proposal submission date**. Any request for clarification in writing, email, or fax shall be sent on the Client's address indicated in the Data Sheet. The Client shall respond to such requests and copies of the response shall be sent to all invited Consultants.
- 2.3** At any time before the submission of proposals, the Client may, for any reason, modify the documents by amendment. The amendment shall be sent in writing to all invited consulting firms and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

3. PREPARATION OF PROPOSAL

- 3.1** You are requested to submit technical and financial proposals separately. Your proposal shall be written in English language.

Technical Proposal

- 3.2** In preparing the technical proposal, you are expected to examine all terms and instructions included in the documents. Failure to provide all requested information shall be at your own risk and may result in rejection of your proposal.
- 3.3** During preparation of the technical proposal, attention must be given to the following:
 - i. **Joint Ventures:** If your firm does not have the relevant expertise for the Assignment, you may obtain a full range of expertise by forming a Joint Venture with other firms. A short-listed firm may not associate with another short-listed firm.
 - ii. **Sub-contracting:** Part of the Assignment may be subcontracted to other consultants if considered desirable. The same sub-consultant may not participate in proposals of several firms.
 - iii. **Staff requirements:** The estimated number of key professional staff-months required for the Assignment is stated in the Data Sheet (approximately **8-10 man-months** over four years). Your proposal should be based substantially on this estimate. However, you may propose changes in light of your experience.

- iv. **Permanent Employees:** The key professional staff proposed shall be permanent employees of the firm (employed at least six months prior to submission of proposal) unless otherwise indicated in the Data Sheet[1].
- v. **Experience requirements:** Proposed staff should have experience under similar conditions. The minimum required experience of proposed key staff shall be as listed in the Data Sheet.
- vi. **No Alternatives:** No alternative to key professional staff may be proposed, only one Curriculum Vitae (CV) may be submitted for each position. All CVs must be signed by the individual and counter-signed by the firm's authorized representative [1].
- vii. **Language requirements:** Study reports must be in English. Working knowledge of Urdu is recommended. Knowledge of Pashto will be considered additional qualification.

3.4 Your technical proposal shall provide the following information using the formats attached in Section 4 (Appendices A-J):

Form	Required Content
Appendix-A	Technical Proposal submission Form
Appendix-B	Brief description of consultant's organization and outline of recent experience (not older than five years) on assignments of similar nature, including profiles of staff, duration, contract amount, and firm's involvement
Appendix-C	List of projects presently being undertaken and expertise-wise deployment
Appendix-D	Consultant's understanding of project objectives, approach toward assignment, and description of methodology (Risk-Based Audit Approach, Compliance Testing, Performance Review)
Appendix-E	Comments on the TOR and on data/services/facilities to be provided by the Client
Appendix-F	Recently signed CVs of the proposed key professional staff showing number of years with firm and degree of responsibility in various assignments during last ten years
Appendix-G	Monthly work plan illustrated with bar chart
Appendix-H	Work plan and time schedule for key personnel showing total person-months
Appendix-I	Composition of proposed staff team, tasks assigned to each, and positions
Appendix-J	Partner details (Name, Designation, Qualifications & Experience)

3.5 The technical proposal **shall not include any financial information.** Any technical proposal containing financial information shall be rejected.

Financial Proposal

3.6 The financial proposal should list the costs associated with the Assignment on a **lump sum basis**. These normally cover:

- Remuneration for staff (field and headquarters)
- Per diem allowances
- Transportation for mobilization and demobilization
- Services and equipment (Office equipment, Furniture & Supplies)
- Printing of documents and reports
- All applicable taxes (Income Tax, Sales Tax, etc.)

3.7 The financial proposal shall consider professional liability insurance and cost of insurances specified in the Data Sheet.

3.8 Costs shall be expressed in Pakistani Rupees (PKR) only.

4. SUBMISSION OF PROPOSALS

4.1 You shall submit:

- **Technical Proposal:** ONE (1) original plus ONE (1) additional copy
- **Financial Proposal:** ONE (1) original

Each proposal shall be in a separate sealed envelope clearly marked "Technical Proposal - Original/Copy" or "Financial Proposal - Original". These two envelopes shall be sealed in an outer envelope bearing the address indicated in the Data Sheet and clearly marked: "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE".

4.2 In the event of any discrepancy between copies of the proposal, the original shall govern. The original and each copy shall be prepared in indelible ink and signed by the authorized Consultant's representative. Authorization shall be confirmed by the written power of attorney accompanying the proposals. All pages shall be initialed by the signatory.

4.3 The proposal shall contain no interlineations or overwriting except as necessary to correct errors made by the Consultants. Any such corrections shall be initialed by the signatory.

4.4 The completed technical and financial proposals shall be delivered on or before the time and date stated in the Data Sheet.

4.5 The proposals shall be valid for **ninety (90) days** from the date of submission. During this period, you shall keep available the professional staff proposed for the assignment.

5. PROPOSAL EVALUATION

5.1 A **two-envelope procedure** shall be adopted in ranking proposals. Technical evaluation shall be carried out first, followed by financial evaluation. Firms shall be ranked using a combined technical/financial score.

Technical Proposal Evaluation

5.2 The evaluation committee appointed by the Client shall carry out evaluation applying the criteria and point system specified in the Data Sheet (Section 3). Each responsive proposal shall be attributed a technical score (St). **Firms scoring less than seventy (70) percent points shall be rejected** and their financial proposals returned unopened [1].

5.3 The minimum combined Technical Points (St) required to pass is **70%**, with the condition to attain at least **60% points in each of the specified categories** (Firm Experience, Methodology, Key Staff)[1].

Financial Proposal Evaluation

5.4 The financial proposals of qualifying consulting firms shall be opened in the presence of their representatives who are invited and choose to attend. The Client shall inform the date, time, and address for opening of financial proposals as indicated in the Data Sheet. The total cost and major components of each proposal shall be publicly announced.

5.5 The evaluation committee shall determine whether financial proposals are complete and without computational errors. The **lowest financial proposal (Fm)** shall be given a financial score (Sf) of 100 points. The financial scores of other proposals shall be computed as follows:

$$Sf = 100 \times Fm / F$$

(Where F = amount of specific financial proposal)

5.6 Proposals shall finally be ranked according to their combined technical (St) and financial (Sf) scores using the weights indicated in the Data Sheet:

$$S = St \times 80\% + Sf \times 20\%$$

(QCBS method with 80:20 weightage)[1]

6. NEGOTIATION

- 6.1** Prior to expiry of the proposal validity period, the Client shall notify the successful Consultant (Highest ranking) in writing and invite it to negotiate the Contract.
- 6.2** The negotiations shall commence with a discussion of your technical proposal, including methodology, work plan, staffing, and any suggestions to improve the TOR. Agreement shall be reached on final TOR, staffing, bar charts indicating activities/periods, logistics, and reporting.
- 6.3** Changes agreed upon shall be reflected in the financial proposal using proposed unit rates.
- 6.4** The selected Consultants (On the basis of proposed key professional staff) the Client expects to negotiate a contract on the basis of staff named in the proposal. The Client shall require assurances that staff members will actually be available. Substitutions of key staff shall not be considered except in cases of unexpected delays or incapacity for health reasons.
- 6.5** If negotiations fail, the Client shall then invite the Consultants that received the second highest score. The procedure will continue with the third if negotiations with the second are unsuccessful.

7. AWARD OF CONTRACT

- 7.1** The contract shall be awarded after successful negotiations with the selected Consultants and approval by the competent authority as per delegation of financial powers.
- 7.2** The selected Consultant is expected to commence the Assignment on the date and at the location specified in the Data Sheet.

8. CONFIRMATION OF RECEIPT

- 8.1** Please inform the Client by email:

- That you received the letter of invitation
- Whether you will submit a proposal
- If you plan to submit a proposal, when and how you will transmit it

SECTION 3. DATA SHEET

Amendments and Supplements to Instructions to Consultants

Clause	Details
1.1 - Name of Assignment	Hiring of Services of External Auditor for Performance Audit (Salaries disbursed), Procurement Audit and Financial Audit of Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS) for Financial Years from 2021-22 to 2024-25
1.1 - Name of Client	Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS), Government of Khyber Pakhtunkhwa Health Department.
1.2 Description and Objectives	<p>To conduct a comprehensive external audit of PIPOS covering:</p> <ul style="list-style-type: none"> a) Performance Audit: Verification of salaries disbursed during FY from 7/2021 to 6/25 (Propriety, authorization & deductions) b) Procurement Audit: Review of procurement processes, compliance with KPPRA Rules 2014, e-PAD utilization, contract management c) Financial Audit: Audit of the financial statements, accounts compliance, fund utilization, internal controls, fixed assets verification for four financial years (2021-22 to 2024-25)
1.3 - Phasing of Assignment	<p>Phase A: Data Collection and Preliminary Review (2 weeks)</p> <p>Phase B: Field work and site visits (6 weeks)</p> <p>Phase C: Analysis and Draft Reports preparation (4 weeks)</p> <p>Phase D: Final Reports submission (2 weeks)</p> <p>Total Duration: Approximately 14 weeks (3.5 months)</p>
1.5 - Pre-Bid Meeting	<p>Date: 16 February, 2026</p> <p>Time: 11.00 AM</p> <p>Venue: Conference Room, PIPOS, Phase 5 Hayatabad.</p>
1.6 - Bid submission & opening.	<p>11:00 AM, Thursday 26th February 2026 (Bid submission)</p> <p>12:30 AM, Thursday 26th February 2026 (Bid opening)</p>
1.7-Contact Officials	<p>Managing Director, PIPOS Pakistan Institute of Prosthetic & Orthotic Sciences Phase 5 Hayatabad, Telephone: 0919217534, Email: info@pipos.gkp.pk</p>
1.8 - Client Inputs	<p>The designated officers from PIPOS will assist the Consultant by providing:</p> <ul style="list-style-type: none"> - Financial records, ledgers, and vouchers (FY 2021-25) - Salary disbursement records and DDO orders - Procurement files, tender documents, contracts - Fixed assets registers - Previous audit reports (if any) - Access to relevant staff and premises
1.9-Invitation Method	Open competitive bidding through advertisement on KPPRA website, PIPOS website, and print media (as per KPPRA Rules 2014)
1.10 - Conflict of Interest	Any previous or ongoing audit engagement with PIPOS shall be subject to appointment of a different Engagement Partner than the one previously associated with PIPOS

Documents (Clause 2.1)

The RFP Documents comprise:

- Section 1: Letter of invitation
- Section 2: Instructions to Consultants
- Section 3: Data Sheet
- Section 4: Formats for Technical Proposal (Appendices A-J)
- Section 5: Formats for Financial Proposal (Appendices A-B)
- Section 6: Terms of Reference
- Section 7: Standard Form of Contract

Clarification Address (Clause 2.2)

Managing Director, PIPOS

Pakistan Institute of Prosthetic & Orthotic Sciences Phase 5 Hayatabad

Telephone: 0919217534 Email: info@pilos.gkp.pk

Proposal Preparation (Clause 3.3)

Item	Requirement
Joint Ventures	A short-listed firm may NOT associate with another short-listed firm: NO
Sub-consultants	The same sub-consultant may participate in several proposals: NO
Estimated Key Staff-Months	8-10 man-months (Spread over 4 fiscal years)
Permanent Employees	Proposed local key staff shall be permanent employees employed at least six months prior to proposal submission: YES
Minimum Experience	See "Key Personnel Qualifications" below

Key Personnel Qualifications and Experience

Part I: Estimated Man-Months of Key Personnel

S. No.	Position	Number	Total Man-Months
1	Quality Review Partner	1	0.5
2	Engagement Partner	1	1
3	Senior Manager/Director (Audit)	1	2
4	Manager/Assistant Manager (Procurement Specialist)	1	1.5
5	Manager/Assistant Manager (HR/Payroll Specialist)	1	1.5
6	Audit Associates	3	3.5
TOTAL		8	10

Note:

- All local key staff must be nominated by name in the proposal.
- Negative marking equivalent to **25% of position marks** will be applied if key position is mentioned as "To Be Nominated (TBN)".
- Key staff must be proficient in written and spoken English.
- Consultants may adjust man-months/disciplines as conducive to objectives, provided total man-months remain approximately the same.

Part II: Minimum Qualifications and Experience

Mandatory Documentation: CV (Signed by individual/counter-signed by CEO), Undertaking/Affidavit of availability, Valid ICAP registration, Degree/Certificates, Proof of employment. **No marks for incomplete documents.**

Position	Minimum Qualification	Minimum Experience
1. Quality Review Partner	Associate Chartered Accountant (ACA) Fellow CA (FCA) preferred	15 years overall 5 years as Quality Review Partner. Proof with reputed registered firms
2. Engagement Partner	Associate Chartered Accountant (ACA) FCA preferred	12 years overall 5 years as Engagement Partner. Proof with reputed registered firms
3. Senior Manager/Director (Audit)	Associate Chartered Accountant (ACA) FCA preferred	7 years overall 3 years as Senior Manager Proof with reputed registered firms
4. Manager (Procurement Specialist)	CA or ACCA ACA preferred	5 years overall 3 years as Manager Experience in procurement /compliance audits
5. Manager (HR/Payroll Specialist)	CA or ACCA ACA preferred	5 years overall 3 years as Manager Experience in payroll / HR audits
6. Audit Associates (3 positions)	CA Intermediate	1 year audit experience Proof with reputed registered firms

Additional Information (Clause 3.4)

- Training is an important feature of this assignment: **NO**
- Additional information in Technical Proposal: **YES** - Appendix-J (Partners Detail)

Professional Liability and Insurance (Clause 3.7)

1. **Professional Liability Insurance:** If the Client suffers any losses or damages as a result of proven faults, errors, or omissions in services provided by the Consultant, the Consultant shall make good such losses, subject to maximum liability not exceeding **twice the total remuneration** under the Contract.
2. The Consultant will be responsible for taking out appropriate insurance coverage for their personnel and equipment.

Cost Currency (Clause 3.8)

Costs shall be expressed in **Pakistani Rupees (PKR) only.**

Submission Requirements (Clause 4.1)

Number of Copies:

- Technical Proposal: ONE (1) original + ONE (1) additional copy
- Financial Proposal: ONE (1) original

Submission Address:

Managing Director, PIPOS

Pakistan Institute of Prosthetic & Orthotic Sciences Phase 5 Hayatabad
Peshawar Telephone: 0919210534

Envelope Marking: Clearly mention "Technical Proposal Original/Copy" and "Financial Proposal Original" with warning "**DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE**"

Proposal Submission Deadline (Clause 4.4)

On or before: [Date], 2026 at [Time]

Technical Proposals will be opened on the same day at **[Time + 30 minutes]** in the Conference Room of PIPOS at the above address.

Proposal Validity (Clause 4.5)

Ninety (90) days after the latest date of submission.

Evaluation Criteria (Clause 5.2)

Step 1: Examination for responsiveness (Pass/Fail)

The Technical Proposals shall be subjected to the following mandatory eligibility criteria to determine initial responsiveness. All requirements must be met (YES in all) for further evaluation.

Requirement	Documentation Required
i. Satisfactory QCR Rating	Proof of QCR rating for last three years issued by ICAP
ii. SBP Panel Category "A"	Certificate issued by State Bank of Pakistan for Category "A" auditors panel
iii. FBR & KPRA Registration	Active status (or commitment to register before LOA if currently inactive)
iv. Not Blacklisted	Affidavit on stamp paper

Step 2: Technical Evaluation Criteria and Point System

Minimum Pass Marks:

- Overall: 70% (70 out of 100 points)
- Each Category: 60% minimum

Evaluation Method: Quality and Cost Based Selection (QCBS at 80:20 ratio)

Category I: Specific Experience of Consultants Relevant to Assignment [30 Points]

Criteria	Points	Description
a) International Affiliation	5	Valid International Certificate of affiliation or membership with recognized accounting body
b) Specific Government/Public Sector Audit Projects	20	<p>Experience in 4 or more audit projects (Government/Semi-Government / Autonomous Bodies / Public Sector) completed during last five years. Each project = 5 points.</p> <p>Evidence: Completion Certificates/Substantial Completion Certificates from Client. Project value should be \geq PK Rs 500,000/- each.</p>
c) General Audit Projects	5	<p>Experience in 2 or more General Audit projects (any sector) completed during last five years. Each project = 2.5 points.</p> <p>Evidence: Completion Certificates. Project value should be \geq PK Rs 300,000 each.</p>

Category II: Adequacy of Proposed Methodology and Work Plan [25 Points]

S. No.	Criteria	Max Points	Details	Form Reference
1	Methodology for undertaking the assignment	12	<ul style="list-style-type: none"> - Risk-Based Audit Approach (3) - Compliance Testing Methods (3) - Performance Review Framework (3) - Independent Quality Control Review (3) 	Appendix-D
2	Understanding of TOR and Approach	5	Demonstrates clear understanding of three audit components (Performance/Procurement/Financial)	Appendix-D
3	Work Plan and Activity Schedule	3	Realistic timeline with critical path	Appendix-G
4	Organization & Staffing Plan	3	Appropriate team structure and reporting lines	Appendix-I

5	Office in Peshawar	2	Physical office presence with full-time partner/representative in Peshawar. Evidence: Lease Agreement or ownership proof	Additional Document
Total		25		

Category III: Key Professional Staff Qualifications and Competence [45 Points]

S. No.	Criteria	Max Points	Scoring Details
1	Number of Partners in firm	8	<ul style="list-style-type: none"> - Five or more Partners: 8 points - Four Partners : 6 points - Three Partners : 4 points - Two Partners : 2 points - Single Partner : 1 point <p>Evidence: Partnership deed/agreement (Appendix-J)</p>
2	Qualifications of Team	37	<p>Detailed Breakdown:</p> <p>Quality Review Partner (8 points):</p> <ul style="list-style-type: none"> - General Qualifications (1.6): FCA=1.6, ACA=0.8 - Overall Experience (2.4): >18 yrs=2.4, 15-18=1.8, 15=1.2 - Relevant QRP Experience (3.6): >7 yrs=3.6, 5-7=2.7, 5=1.8 - Permanent Employee (0.4) <p>Engagement Partner (8 points):</p> <ul style="list-style-type: none"> - Similar scoring as QRP <p>Senior Manager/Director (7 points):</p> <ul style="list-style-type: none"> - General Qualifications (1.4) - Overall Experience (2.1): >10 yrs=2.1, 7-10=1.6, 7=1.05 - Relevant Experience (3.15): >5 yrs=3.15, 3-5=2.36, 3=1.58 - Permanent Employee (0.35) <p>Managers (Procurement & HR) (5 points each = 10 points):</p> <ul style="list-style-type: none"> - General Qualifications (1.0 each): ACA=1.0, CA/ACCA=0.5 - Overall Experience (1.5 each): >7 yrs=1.5, 5-7=1.13, 5=0.75 - Relevant Experience (2.25 each): >5 yrs=2.25, 3-5=1.69, 3=1.13 - Permanent Employee (0.25 each) <p>Audit Associates (4 points total, ~1.33 each × 3):</p> <ul style="list-style-type: none"> - Qualification (0.53 each): CA Inter=0.53 - Experience (0.8 each): >2 yrs=0.8, 1-2=0.6, 1=0.4

Total Technical Points: 100

Financial Evaluation (Clause 5.3-5.6)

Method: Quality and Cost Based Selection (QCBS)

Weightage:

- Technical Score (St): **80%**
- Financial Score (Sf): **20%**

Financial Score Calculation:

- Lowest financial proposal among qualifying firms (Fm) = 100 points
- Other proposals: $S_f = 100 \times F_m / F$

Combined Score:

$$S = St \times 0.80 + Sf \times 0.20$$

Date/Time of Financial Proposal Opening:

To be notified to qualifying firms. Opening in presence of their authorized representatives at PIPOS office.

Contract Award (Clause 7.2)

Expected Commencement Date: 10 March, 2026

Location: Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS),
Phase 5 Hayatabad Peshawar

SECTION 4. FORMATS FOR TECHNICAL PROPOSAL

Appendix-A: Technical Proposal Submission Form

To,

The Managing Director

Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS)

Phae5 Hayatabad Peshawar.

Subject: Submission of Technical Proposal for Hiring of External Auditor for PIPOS (FY 2021-2025)

Dear Sir,

We, the undersigned, offer to provide consulting services for "**Hiring of Services of External Auditor for Performance Audit (Salaries Dispersed), Procurement Audit and Financial Audit of PIPOS for Financial Years 2021-22, 2022-23, 2023-24 & 2024-25**" in accordance with your Request for Proposal dated [Insert Date] and our Proposal.

We are hereby submitting our Technical Proposal, which includes this submission form and the forms/appendices as specified in the RFP documents.

We understand that:

1. This Technical Proposal is submitted separately from our Financial Proposal, which is sealed in a separate envelope.
2. This Technical Proposal does not include any financial information. We understand that inclusion of any financial information in the Technical Proposal will result in rejection of our entire proposal.
3. The proposed key professional staff named in this proposal shall be available to carry out the Assignment as per the schedule proposed.
4. Our proposal shall remain valid for a period of ninety (90) days from the date of submission.
5. We have no conflict of interest with PIPOS or any organization related to this Assignment.
6. We meet all mandatory eligibility requirements including SBP Category "A" listing, ICAP QCR rating, FBR/KPRA registration, and are not blacklisted by any government entity.
7. We have examined and have no reservations to the RFP documents, including the Terms of Reference and Standard Form of Contract.

We declare that all information provided in this Technical Proposal is true, accurate, and complete.

Authorized Signature : _____

Name and Title of the Signatory : _____

Name of Firm : _____

Address : _____

Telephone/Fax : _____

Email : _____

Date : _____

[Attach Power of Attorney authorizing the signatory]

Appendix-B: Relevant Services Carried Out in the Last Five Years

Instructions: List assignments of similar nature completed in the last five (5) years. For each assignment, provide details as per format below. Attach completion certificates.

Assignment Name	Client Name & Address	Contract Value (PK Rs)	Duration (From-To)	Type of Services	Key Staff from Your Firm	Firm's Role & Involvement (%)
Example: External Audit of Health Department XYZ	Department of Health, KP	1,500,000	Jan 2022 - Apr 2022	Financial & Compliance Audit	Mr. ABC (EP), Mr. DEF (SM)	Lead Auditor (100%)

Notes:

- Focus on Government/Public Sector audit assignments
- Highlight Procurement Audits, Performance Audits, and payroll/salary audits
- Attach completion certificates or client testimonials

Appendix-C: Present Staff Deployment

Instructions: Provide information on current workload and staff deployment.

Part A: Projects Currently Being Undertaken

Project Name	Client	Contract Value (PK Rs)	Start Date	Expected Completion	% Complete

Part B: Overall staff strength by expertise

Category	Total Number in Firm	Number Deployed on Current Projects	Available for This Assignment
Partners			
Senior Managers/Directors			
Managers			
Senior Associates			
Associates			
Support Staff			

Appendix-D: Approach paper on methodology proposed for performing the Assignment

Instructions: Provide a comprehensive approach paper (maximum 10 pages) covering the following:

Chapter 1: Understanding the assignment and proposed methodology

1.1 Understanding of TOR

- Demonstrate understanding of three audit components:
 - Performance Audit (Salaries Disbursed)
 - Procurement Audit
 - Financial Audit
- Specific challenges anticipated for four-year retrospective audit
- Understanding of PIPOS operations in Health Sector context

1.2 Overall Audit Approach

- Risk-Based Audit Approach: Risk assessment methodology, materiality determination
- Compliance Testing: Methods for testing adherence to rules/regulations
- Performance Review Framework: Efficiency, effectiveness, economy (3Es) assessment
- Sampling techniques and statistical methods

1.3 Specific Methodologies

A. Performance Audit - Salaries Disbursed (FY 2021-2025)

- Verification of salary authorization and disbursement records
- Testing of DDO (Drawing & Disbursing Officer) compliance
- Review of deductions (Income Tax, CP Fund, EOBI Fund, etc.)
- Verification of attendance records and leave management
- Testing of increments and other related increases paid.
- Identification of ghost employees & irregular payments

B. Procurement Audit (FY 2021-2025)

- Review of procurement planning and budgeting
- Compliance with KPPRA Rules 2014

- Examination of tender documentation and e-PAD utilization
- Evaluation of bid evaluation processes
- Contract management and execution review
- Assessment of value for money, economy and efficiency.
- Identification of split purchases or irregular procurement

C. Financial Audit (FY 2021-2025)

- Audit of financial statements and accounts
- Verification of fund receipts and expenditures
- Bank reconciliation and cash management
- Fixed assets verification (Existence, Condition & Disposal)
- Review of internal controls systems
- Compliance with government accounting rules
- Assessment of budget utilization and variances

1.4 Independent engagement Quality Controls review

- Process for quality review by Quality Review partner (s)
- Review checkpoints and milestones
- Quality assurance framework

1.5 IT and GAAP Specialist Role

- Use of IT audit tools (if applicable)
- Compliance with Government Accounting Standards

Chapter 2: Work Plan and Organization

2.1 Phased approach

- Detailed breakdown of four phases (Data Collection, Field Work, Analysis & Reporting)
- Timeline for each phase
- Critical milestones and deliverables

2.2 Coordination with PIPOS

- Communication protocol
- Document request process
- Access to premises and staff

Chapter 3: Staffing and Team Organization

3.1 Organization Chart

- Reporting structure
- Roles and responsibilities of each team member

3.2 Quality Control Measures

- Review protocols
- Documentation standards
- Reporting formats

Appendix-E: Comments / Suggestions of Consultant

Instructions: Provide any comments or suggestions on:

Part A: Comments on Terms of Reference

[Provide any suggestions for improvement or clarification of TOR]

Part B: Comments on Data, Services and Facilities to be Provided by Client

[Indicate if the data/services/facilities listed in TOR Section 6.5 are adequate, or if additional support is needed]

Appendix-F: Format for Curriculum Vitae (CV) for Proposed Key Staff

Instructions: Use this format for each key staff member. CV must be signed by the individual and counter-signed by firm's CEO/authorized representative.

1. Proposed Position : _____

2. Name of Staff : _____

3. Date of Birth : _____

4. Nationality : _____

4. Education:

Degree	Institution	Year	Specialization

5. Professional Qualifications and Membership:

- ICAP Membership Number : _____
- Designation (ACA/FCA/CA) : _____
- ICAP Membership Status: Active/Inactive : _____
- CPD Hours Completed (last year) : _____

6. Employment Record:

Period (From-To)	Employer	Position Held	Responsibilities

1. Years with Current Firm : _____

2. Date of Joining Current Firm : _____

7. Detailed Tasks Assigned on This Assignment:

[Describe specific role and responsibilities for PIPOS audit]

8. Work Experience Relevant to Assignment:

A. Overall Professional Experience: _____ years

B. Specific Relevant Experience:

Assignment Name	Client	Position Held	Duration	Relevant Experience Description

10. Language Proficiency:

Language	Speaking	Reading	Writing
English			
Urdu			
Pashto			

11. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, the information contained in this CV correctly describes myself, my qualifications, and my experience. I confirm my availability for the proposed assignment and that I have no conflict of interest in this regard.

Signature of Staff: _____

Date: _____

Counter-signed by Authorized Representative of Firm:

Name : _____

Designation : _____

Signature : _____

Date : _____

[Attach: Copies of degrees, ICAP registration certificate, CPD certificate, Undertaking/Affidavit of Availability]

Appendix-G: Work Plan/Activity Schedule

Instructions: Provide a bar chart showing the phased implementation plan and activity schedule.

Example Format:

Activity	Week 1	Week 2	Week 3	Week 4	Week 5-8	Week 9-10	Week 11-12	Week 13-14
Phase A: Data Collection	■■■	■■■						
Document review & planning	■■■	■						
Preliminary meetings	■	■■■						
Phase B: Field Work			■■■	■■■	■■■			
Salary records verification			■■■	■■■				
Procurement audit			■	■■■	■■■			
Financial audit				■	■■■	■■■		
Fixed assets verification					■■■	■■■		
Phase C: Analysis & Drafting						■■■	■■■	
Analysis and findings						■■■	■	
Draft reports preparation						■	■■■	
Phase D: Finalization								■■■
Feedback incorporation							■	■■■
Final reports submission								■■■

Appendix-H: Work Plan and Time Schedule for Key Personnel

Instructions: Indicate the time input (in weeks) for each key staff member.

Name	Position	Input (person-weeks)	Timeline (Week Numbers)
	Quality Review Partner	2	Weeks 10-11, Week 14
	Engagement Partner	4	Weeks 1-2, 5-6, 10-11, 13-14
	Senior Manager/Director	8	Weeks 2-4, 5-9, 11-12
	Manager (Procurement)	6	Weeks 3-8
	Manager (HR/Payroll)	6	Weeks 3-8
	Audit Associate 1	5	Weeks 3-7
	Audit Associate 2	5	Weeks 4-8
	Audit Associate 3	4	Weeks 5-8
TOTAL		40 person-weeks	

Conversion: Approximately 10 man-months

Appendix-I: Composition of the Team Personnel and Tasks to be Assigned

Instructions: Provide details of team composition and specific tasks.

S. No.	Name	Position	Specific Tasks Assigned	Reporting To
1		Quality Review Partner	Overall quality review; Review of draft reports; Sign-off on final reports	Independent
2		Engagement Partner	Overall supervision; Client liaison; Risk assessment; Review of audit work; Finalization of reports	QRP
3		Senior Manager/Director (Audit)	Field work supervision; Financial audit lead; Fixed assets verification; Team coordination	EP
4		Manager (Procurement Specialist)	Procurement audit lead; KPPRA compliance review; Contract management review; e-PAD verification	SM
5		Manager (HR/Payroll Specialist)	Salary audit lead; DDO compliance; Deductions verification; Attendance records review	SM
6-8		Audit Associates (3)	Field work execution; Document review; Testing and sampling; Working papers preparation	Managers

Support Staff (if any):

[List support staff and their roles]

Appendix-J: Partners Detail

Instructions: Provide details of all partners in the firm.

S. No.	Name	Designation	Qualification	ICAP Membership No.	Years of Experience	Specialization
1		Managing Partner	FCA/ACA			
2		Partner	FCA/ACA			
3		Partner	FCA/ACA			

[Attach: Partnership Deed/Agreement (mandatory for scoring multiple partners)]

SECTION 5. FORMATS FOR FINANCIAL PROPOSAL

Appendix-A: Financial Proposal Submission Form

To
The Managing Director
Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS)

Subject: Submission of Financial Proposal for Hiring of External Auditor for PIPOS (FY 2021-2025)

Dear Sir,

We, the undersigned, offer to provide consulting services for "**Hiring of Services of External Auditor for Performance Audit (Salaries Dispersed), Procurement Audit and Financial Audit of PIPOS for Financial Years 2021-22, 2022-23, 2023-24 & 2024-25**" in accordance with your Request for Proposal dated [Insert Date].

Our Financial Proposal is as follows:

Total Cost of Services (Lump Sum):

Pakistani Rupees: _____

(In Words): _____

This amount is inclusive of all costs, including professional fees, out-of-pocket expenses, and all applicable taxes as detailed in Appendix-B.

We confirm that:

1. This Financial Proposal is submitted separately from our Technical Proposal.
2. The quoted amount is firm and fixed for the entire four-year audit assignment.
3. All costs are expressed in Pakistani Rupees (PKR) only.
4. The quoted amount includes all applicable taxes (Income Tax, Sales Tax, etc.) and no additional claims will be made.
5. Professional liability insurance costs are included in the quoted amount.
6. This proposal remains valid for ninety (90) days from the date of submission.
7. We understand the payment terms as specified in the draft contract (Section 7).

Authorized Signature : _____
Name and Title of Signatory : _____
Name of Firm : _____
Address : _____
Telephone/Fax : _____
Email : _____
Date : _____

[Attach Power of Attorney authorizing the signatory]

Appendix-B: Summary of Consultancy Services Cost

Instructions: Provide breakdown of lump sum cost.

S. No.	Cost Component	Amount (PK Rs)
1	Professional Fees (Audit Services)	
	a) Performance Audit - Salaries (FY 2021-25)	
	b) Procurement Audit (FY 2021-25)	
	c) Financial Audit (FY 2021-25)	
	Sub-total Professional Fees	
2	Out-of-Pocket Expenses	
	a) Printing and documentation	
	b) Transportation and travel (local)	
	c) Communication costs	
	d) Miscellaneous expenses	
	Sub-total Out-of-Pocket Expenses	
3	Applicable Taxes	
	a) Income Tax (as applicable)	
	b) Sales Tax / GST (as applicable)	
	c) Provincial taxes (as applicable)	
	Sub-total Taxes	
	GRAND TOTAL (PKR)	

Notes:

1. All amounts are in Pakistani Rupees (PK Rs).
2. Lump sum basis - no breakdown by man-months or hourly rates required.
3. Total amount is fixed and is for entire assignment (4 fiscal years).
4. No price escalation or currency adjustment clauses.
5. Payment terms as per draft contract.

SECTION 6. TERMS OF REFERENCE (TOR)

1. BACKGROUND

1.1 About PIPOS

Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS) is an autonomous health institution under the Government of Khyber Pakhtunkhwa Health Department. PIPOS was established to provide:

- Prosthetic and orthotic services to persons with disabilities
- Training and capacity building in prosthetics and orthotics
- Research and development in assistive technology
- Advocacy and awareness on disability rights

PIPOS operates with funding from the Provincial Annual Development Program (ADP) and Provincial Revenue Budget, with an average annual budget of approximately PKR [Insert Amount].

1.2 Need for Audit

PIPOS has not undergone comprehensive external audit for the financial years 2021-22, 2022-23, 2023-24, and 2024-25. In compliance with government financial management regulations and to ensure transparency, accountability, and good governance, PIPOS requires a thorough external audit covering:

- **Performance Audit:** Examination of salary disbursements to verify propriety, authorization, and compliance with rules
- **Procurement Audit:** Assessment of procurement processes and compliance with KPPRA Rules 2014
- **Financial Audit:** Comprehensive audit of financial statements, fund utilization, and internal controls

2. OBJECTIVES OF THE ASSIGNMENT

The primary objectives of this audit assignment are to:

1. **Verify Salary Disbursements:** Conduct performance audit of all salaries disbursed during FY 2021 to 2025 to ensure:
 - Proper authorization by competent authority
 - Accuracy of salary calculations (Salary, increments & other benefits paid)
 - Correctness of deductions (Taxes, CPF, EOBI etc.)
 - Attendance and leave record verification

- Identification of ghost employees and irregular payments if any.
- 2. **Assess Procurement Compliance:** Review all procurement activities during FY 2021-25 & to assess:
 - Compliance with KPPRA Rules 2014
 - Proper planning and need assessments
 - Transparency in tendering and bid evaluation
 - Use of e-PAD procurement system
 - Contract management and execution
 - Value for money, economy, efficiency and effectiveness
 - Identification of split purchases or irregular procurement
- 3. **Conduct Financial Audit:** Perform comprehensive financial audit of PIPOS for FY 2021 to 2025 including:
 - Audit of Financial Statements (Balance Sheet, Income & Expenditure Statement, Cash Flow Statement, if applicable)
 - Verification of receipts and expenditures
 - Bank reconciliation and cash management
 - Fixed assets verification (Physical existence, condition, disposal procedures)
 - Review of internal controls systems
 - Compliance with government accounting rules and regulations
 - Assessment of budget utilization and variances
- 4. **Provide recommendations:** Deliver actionable recommendations for improving financial management, internal controls, procurement processes, and payroll systems.

3. SCOPE OF WORK

3.1 Period Covered

The audit shall cover **four (4) consecutive financial years:**

- Financial Year 2021-22 (July 1, 2021 to June 30, 2022)
- Financial Year 2022-23 (July 1, 2022 to June 30, 2023)
- Financial Year 2023-24 (July 1, 2023 to June 30, 2024)
- Financial Year 2024-25 (July 1, 2024 to June 30, 2025)

3.2 Three Components of Audit

Component A: Performance Audit - Salaries disbursed

The Consultant shall conduct a detailed performance audit of all salary payments made during FY 2021 to 2025, including but not limited to:

A.1 Authorization and Approval

- Verify that all salary disbursements were properly authorized by the Drawing & Disbursing Officer (DDO)
- Check competency of authorizing officers
- Review approval trail and delegation of powers
- Verify appointment orders and approval of posts

A.2 Salary structure and calculations

- Verify basic pay scales and grades & fixation of pay.
- Check accuracy of paid allowances.
- Verify annual increments and their proper sanction
- Review overtime and other salary related payments
- Check compliance with pay fixation rules

A.3 Deductions

- Verify correctness of Income Tax deductions
- Check calculation of CPF and rates approved by the PIPOS Board of Management,
- Verify EOBI recoveries & employer's contribution.
- Check recovery of loans and advances if paid & their recoveries.
- Verify remittance of deductions to concerned authorities

A.4 Attendance and Leave

- Review attendance records (manual/biometric)
- Verify leave applications and sanctions
- Check for leave encashment payments if any.
- Unauthorized absences and salary recovery

A.5 Irregularities detection

- Identify ghost employees (payments to non-existent persons)
- Detect duplicate payments
- Payments without proper documentation
- Identify overpayments or underpayments
- Review cases of salary drawn but not disbursed

A.6 Documentation

- Verify maintenance of proper salary bills and pay slips
- Check supporting documents (CNICs, bank accounts, service books)
- Review payroll registers

A.7 Sample Size

- The audit shall cover at least **70% of total salary payments by value** for each financial year
- Sample selection shall be risk-based include all high-value and high-risk items

Component B: Procurement Audit

The Consultant shall conduct a comprehensive procurement audit covering for FY 2021-25, including:

B.1 Procurement Planning

- Review of annual procurement plans
- Assessment of need identification and budget provision
- Evaluation of procurement requisitions

B.2 Compliance with KPPRA Rules 2014

- Verify compliance with procurement thresholds
- Check use of appropriate procurement methods (Open Competitive Bidding, RFQ, Direct Contracting)
- Review advertisement requirements and timelines
- Verify bid security and performance guarantee requirements
- Check proper approval from procurement committees

B.3 Tendering process

- Review of tender process, documents and specifications
- Verification of e-PAD utilization and uploading
- Examination of bid submission, opening, and evaluation
- Review of evaluation criteria and scoring
- Check for conflicts of interest in evaluation committees
- Verify negotiation processes (if applicable)

B.4 Contract Management

- Review of contract awards and notifications
- Verification of contract execution and deliveries
- Assessment of payment procedures
- Check for variations and amendments
- Review of dispute resolution

B.5 Specific Focus Areas

- Identify split purchases to avoid approval thresholds
- Detect favoritism or collusion in bidding
- Check for procurement of goods/services without proper authorization
- Verify value for money (Economy, Efficiency & Effectiveness - 3Es)
- Review procurement of physiotherapy equipment, IT equipment, prosthetic materials

B.6 Sample Size

- The audit shall cover **all procurements above PK Rs 100,000** during FY 2021 to 2025
- Random sampling of **30% of procurements below PK Rs 100,000**

Component C: Financial Audit

The Consultant shall conduct a comprehensive financial audit for FY 2021 to 2025, including:

C.1 Financial Statements Audit

- Audit of receipts and payments accounts
- Review of income and expenditure statements (Prepared on accrual basis)
- Verification of balance sheet items (if applicable)
- Assessment of financial position and trends

C.2 Fund Management

- Verification of budget allocations and releases
- Review of fund receipts from Provincial Government
- Review receipts from own receipts
- Review receipts from donors i.e Sehalat Saholat Program, ICRS & WHO
- Check proper accounting and utilization of funds
- Verify bank account management (number of accounts, authorized signatories)
- Bank reconciliation for all accounts

C.3 Expenditure Verification

- Detailed testing of expenditure vouchers and supporting documents
- Check for proper authorization and approval
- Verify correctness of accounting classification (Budget Head wise)
- Review of advances and their adjustments
- Check for inadmissible/irregular expenditures

C.4 Revenue/Receipts

- Verification of any revenue generated (service charges, if applicable)
- Review of receipts and acknowledgment procedures
- Check deposit of receipts in government treasury

C.5 Fixed Assets Management

- Physical verification of fixed assets (land, buildings, equipment, vehicles, furniture)
- Verification against fixed asset register
- Check for proper tagging and identification
- Review of asset acquisition, maintenance, and disposal procedures
- Assessment of asset condition and utilization
- Identify missing or damaged assets

C.6 Internal Controls

- Assessment of internal controls environment
- Evaluation of segregation of duties
- Review of authorization and approval mechanisms
- Check for internal audit function.
- Evaluate record-keeping and documentation systems

C.7 Compliance

- Verify compliance with Government Financial Rules
- Check adherence to Public Finance Management Act (if applicable)
- Review compliance with Treasury Rules
- Verify adherence to delegation of financial powers

C.8 Budget utilization

- Compare actual expenditure against budget allocations
- Analyze variances and reasons
- Assess budget utilization percentages (Development and Revenue components)
- Review of re-appropriations

3.3 Audit Standards

The audit shall be conducted in accordance with:

- International Standards on Auditing (ISA)
- International Standards of Supreme Audit Institutions (ISSAI) - for Public Sector auditing
- Government of Pakistan's Financial Rules and Regulations
- KPPRA Rules 2014 (for procurement)
- Professional standards of Institute of Chartered Accountants of Pakistan (ICAP)

3.4 Audit Approach

The Consultant shall adopt a **risk-based audit approach** involving:

- Understanding of PIPOS operations and environment
- Risk assessment and materiality determination
- Design of audit procedures based on identified risks
- Sampling techniques (Statistical and judgmental)
- Substantive testing and compliance testing
- Use of Computer-Assisted Audit Techniques (CAATs) where applicable

4. METHODOLOGY

The Consultant is expected to adopt a structured methodology comprising the following phases:

4.1 Phase A: Data Collection and Preliminary Review (2 weeks)

Activities:

- Kick-off meeting with PIPOS management
- Collection of relevant documents and records:
 - Financial Statements and accounts for FY 2021-25
 - Salary bills, pay slips, payroll registers
 - Procurement files, tender documents, contracts
 - Fixed asset registers
 - Budget documents and releases
 - Bank statements and reconciliations
 - Previous audit reports (if any)
 - Relevant policies and procedures
- Preliminary review of documents
- Risk assessment and materiality determination
- Preparation of detailed audit work plan
- Design of audit programs and checklists

4.2 Phase B: Field Work and Site Visits (6 weeks)

Activities:

- Execution of audit procedures as per audit programs
- Testing of transactions and account balances
- Verification of salary disbursements and supporting documents
- Review of procurement files and contracts
- Physical verification of fixed assets at PIPOS
- Interviews with key personnel (Finance, HR, Procurement officers)
- Site visits to verify project activities (if applicable)
- Documentation of audit findings and evidence
- Preparation of working papers
- Identification of exceptions and irregularities
- Discussion of preliminary findings with management

4.3 Phase C: Analysis and draft reports preparation (4 weeks)

Activities:

- Analysis of audit evidence and findings
- Assessment of internal controls weaknesses
- Quantification of financial impact of irregularities
- Preparation of audit observations with supporting evidence
- Development of recommendations
- Quality review by Quality Review Partner
- Preparation of draft audit reports (Separate reports for each component)
- Presentation of draft findings to PIPOS management
- Management response and comments

4.4 Phase D: Finalization and Submission of report (2 weeks)

Activities:

- Incorporation of management comments in the reports
- Resolution of disagreements or clarifications
- Final review by Engagement Partner and Quality Review Partner
- Finalization of audit reports
- Submission of final audit reports
- Exit meeting and presentation to PIPOS management

Total Duration: Approximately **14 weeks (3.5 months)**

5. DELIVERABLES

The Consultant shall submit the following deliverables:

5.1 Inception report (Week 2)

A brief inception report (10-15 pages) outlining:

- Understanding of assignment objectives and scope
- Detailed work plan and timeline
- Audit methodology and approach
- Team composition and deployment plan
- List of documents required from PIPOS

5.2 Draft Audit Reports (Week 12)

Three separate draft reports covering:

Report 1: Performance Audit Report - Salaries Dispersed (FY 2021 to 2025)

- Executive summary
- Audit objectives and scope
- Audit methodology
- Summary of salary disbursements (Year wise and category wise)
- Audit findings and observations (With supporting evidences)
- Quantification of irregularities (amount involved)
- Assessment of internal controls over payrolls
- Recommendations for improvement
- Appendices (Detailed findings & sample lists)

Report 2: Procurement Audit Report (FY 2021 to 2025)

- Executive summary
- Audit objectives and scope
- Audit methodology
- Summary of procurement activities (Year wise, category wise & value)
- Assessment of compliance with KPPRA Rules 2014
- Audit findings and observations
- Identification of value-for-money issues
- Assessment of procurement internal controls
- Recommendations for improvement
- Appendices (procurement summary, case studies)

Report 3: Financial Audit Report (FY 2021 TO 2025)

- Executive summary
- Audit objectives and scope
- Audit methodology
- Summary of financial position and performance (Four years)

- Audit findings and observations (Area: funds, expenditure, assets, controls)
- Auditor's opinion on financial statements / accounts
- Assessment of internal controls framework
- Budget utilization analysis
- Fixed assets verification results
- Recommendations for strengthening financial management
- Appendices (Detailed schedules, exceptions list)

Format: Each draft report shall be submitted in:

- **Hard Copy:** 3 bounded copies
- **Soft Copy:** MS Word and PDF versions

5.3 Final Audit Reports (Week 14)

Final versions of the three audit reports incorporating management comments and responses.

Format:

- **Hard Copy:** 5 bounded copies of each report
- **Soft Copy:** MS Word and PDF versions (CD/USB and email)

5.4 Management Letter (Week 14)

A separate management letter highlighting:

- Key controls weaknesses identified
- Recommendations for strengthening systems
- Best practices for financial management, procurement, and payrolls
- Suggested action plan with timelines

Format: Hard Copy (3 copies) + one Soft Copy

5.5 Summary presentation (Week 14)

- Power Point presentation (30-40 Slides) summarizing key findings and recommendations
- Oral presentation to PIPOS management

5.6 Working papers

Complete set of working papers and audit documentation shall be provided to PIPOS on CD/USB for record purposes.

6. RESPONSIBILITIES

6.1 Consultant's Responsibilities

The Consultant shall be responsible for:

1. Providing qualified and experienced audit team as per RFP requirements
2. Conducting audit in accordance with applicable auditing standards
3. Maintaining professional independence and objectivity
4. Ensuring confidentiality of PIPOS information
5. Coordinating with PIPOS officials for document collection and access
6. Completing the assignment within stipulated timelines
7. Delivering high-quality audit reports with actionable recommendations
8. Attending meetings and presentations as required
9. Responding to queries and clarifications from PIPOS
10. Maintaining proper working papers and audit documentation

6.2 PIPOS Responsibilities

PIPOS shall be responsible for:

1. Designating a focal person for coordination with the audit team
2. Providing access to all relevant documents, records, and information
3. Facilitating access to PIPOS premises and assets for physical verification
4. Making available relevant staff for interviews and clarifications
5. Providing office space and basic facilities for audit team (if required)
6. Reviewing draft reports and providing comments within reasonable time (7-10 days)
7. Facilitating meetings and presentations
8. Making timely payments as per contract terms

6.3 Documents to be provided by PIPOS

PIPOS shall provide the following documents/records to the Consultant:

Financial records:

- Receipts and payments accounts (FY 2021 to 2025)
- Cashbooks and bank statements
- Ledgers and subsidiary registers
- Bank statements and reconciliations
- Budget allocation and release orders
- Expenditure vouchers and supporting documents
- Fixed asset registers

Salary/HR Records:

- Salary bills and pay slips (FY 2021 to 2025)
- Payroll registers
- Service books/HR files
- Appointment orders and establishment lists
- Attendance registers (Manual / Biometric data)
- Leave records
- CP fund records
- Tax deduction records

Procurement Records:

- Annual procurement plans
- Procurement requisitions
- Tender documents and advertisements
- Bid submissions and evaluation reports
- Committee minutes and approvals
- Contracts and purchase orders
- Delivery receipts and inspection reports
- Payment records
- e-PAD system records/printouts

Other documents:

- Organizational structure and staff list
- Delegation of powers
- Financial and Procurement SOPs/ Policies
- Previous audit reports (if any)
- Budget documents
- Relevant rules and regulations

7. TIMELINES

Milestone	Timeline	Duration
Contract Award	[Date]	-
Commencement of Services	[Date]	-
Phase A: Data Collection & Planning	Weeks 1-2	2 weeks
Submission of Inception Report	End of Week 2	-
Phase B: Field Work	Weeks 3-8	6 weeks
Phase C: Analysis & Draft Reports	Weeks 9-12	4 weeks
Submission of Draft Reports	End of Week 12	-
PIPOS Review and Comments	Weeks 13 (7-10 days)	-
Phase D: Finalization	Week 13-14	2 weeks
Submission of Final Reports	End of Week 14	-
Exit Meeting and Presentation	Week 14	-
Total Duration		14 weeks (3.5 months)

Note: The Consultant may propose an alternative timeline in the technical proposal, provided it is reasonable and aligns with audit best practices. However, the entire assignment should be completed within a maximum of **4 months**.

8. PAYMENT TERMS

Payment shall be made in **two installments** based on deliverables:

Milestone	Percentage of Contract Value
First Payment: Upon submission of draft audit reports (3 reports) satisfactory to PIPOS	50%
Second Payment: Upon submission of final audit reports and completion of exit meeting	50%

Payment Processing:

- Invoices shall be submitted by the Consultant along with deliverables
- PIPOS shall process payments within **thirty (30) days** of receipt of satisfactory deliverables and invoice
- Applicable taxes shall be deducted at source as per Government of Pakistan rules

9. QUALIFICATIONS AND EXPERIENCE OF AUDITOR

The audit firm and proposed key personnel shall meet the following minimum qualifications:

9.1 Firm requirements

1. Listed as **Category "A"** on State Bank of Pakistan's panel of auditors
2. Valid **QCR Rating** (satisfactory) for last three years from ICAP
3. Registered with **FBR** and **KPRA** with active status
4. At least **15 years** of experience as an audit firm
5. Experience in conducting audits of **government departments, autonomous bodies, or public sector organizations** (at least 4 similar assignments in last 5 years)
6. Not blacklisted by any government or autonomous body
7. Physical office presence in **Peshawar** or commitment to establish one

9.2 Key Personnel requirements

As per Data Sheet (Section 3), minimum qualifications for key staff are specified.

10. CONFIDENTIALITY AND DATA PROTECTION

1. The Consultant shall maintain strict confidentiality of all information, documents, and data obtained during the audit.
2. Audit findings and reports shall not be shared with any third party without written consent of PIPOS.
3. The Consultant shall return or destroy all confidential documents and data at the conclusion of the assignment.
4. The Consultant shall not use PIPOS information for any purpose other than this audit assignment.

11. INTELLECTUAL PROPERTY

All audit reports, working papers, presentations, and other deliverables produced under this assignment shall be the property of PIPOS and Government of Khyber Pakhtunkhwa.

12. REFERENCE DOCUMENTS

The Consultant shall refer to the following documents and regulations:

1. Government Financial Rules (as applicable in Khyber Pakhtunkhwa)
2. Khyber Pakhtunkhwa Public Procurement Rules 2014
International Standards on Auditing (ISA)
3. International Standards of Supreme Audit Institutions (ISSAI)
4. Public Finance Management Act (if applicable)
5. Relevant circulars and notifications of Finance Department, Government of KP
6. PIPOS operational policies and procedures

SECTION 7. STANDARD FORM OF CONTRACT

LUMP SUM CONTRACT FOR CONSULTANCY SERVICES HIRING OF EXTERNAL AUDITOR FOR PIPOS (FY 2021-2025)

This Contract (hereinafter called "the Contract") is entered into this _____ day of _____, 2026.

BETWEEN the Pakistan Institute of Prosthetic & Orthotic Sciences (PIPOS) (Hereinafter called "the Client") **AND** [Name of Audit Firm] [Complete Address] (Hereinafter called "the Consultant")

WHEREAS the Client desires to engage the Consultant to provide consulting services for external audit of PIPOS for Financial Years 2021-22, 2022-23, 2023-24 & 2024-25 (hereinafter called "the Services"), and

WHEREAS the Consultant has submitted a proposal dated _____ which was found acceptable to the Client.

NOW THEREFORE, the parties hereto agree as follows:

Article 1: Scope of Services

The Consultant shall perform the Services as described in:

- **Appendix-A:** Terms of Reference
- **Appendix-B:** Description of Services (as per Consultant's Technical Proposal)
- **Appendix-C:** Reporting Requirements

Article 2: Contract Period

The Consultant shall commence the Services on _____ and complete by _____, subject to any extensions mutually agreed upon in writing.

Article 3: Contract Price

The total contract price (lump sum) is **Pakistani Rupees _____ (PK Rs _____)** as detailed in **Appendix-D: Cost Breakdown**.

This amount is inclusive of:

- Professional fees
- Out-of-pocket expenses
- All applicable taxes

Article 4: Payment Terms

Payment shall be made in two installments as follows:

Milestone	Amount	Percentage
Submission of satisfactory draft audit reports (3 reports)	PK Rs _____	50%
Submission of final audit reports and completion of exit meeting	PK Rs _____	50%
TOTAL	PK Rs _____	100%

Payments shall be processed within thirty (30) days of submission of invoice and satisfactory deliverables.

Article 5: Key Personnel

The Consultant shall deploy the following key personnel:

Position	Name
Quality Review Partner	
Engagement Partner	
Senior Manager/Director	
Manager (Procurement)	
Manager (HR/Payroll)	
Audit Associates	

Substitution: No substitution of key personnel shall be made without prior written approval of the Client, except in cases of incapacity for health reasons or unexpected delays.

Article 6: Obligations of the Consultant

The Consultant shall:

1. Perform the Services with due diligence and in accordance with applicable auditing standards
2. Maintain confidentiality of all Client information
3. Submit deliverables as per agreed timelines
4. Coordinate with Client's designated focal person
5. Attend meetings and presentations as required

Article 7: Obligations of the Client

The Client shall:

1. Provide access to all relevant documents, records, and information
2. Designate a focal person for coordination
3. Facilitate access to premises and staff
4. Review draft reports and provide comments within reasonable time
5. Make timely payments as per contract terms

Article 8: Professional Liability

If the Client suffers any losses or damages as a result of proven faults, errors, or omissions in the Services provided by the Consultant, the Consultant shall make good such losses, subject to maximum liability not exceeding **twice the total contract price**.

Article 9: Confidentiality

The Consultant shall not disclose any confidential information obtained during the assignment without prior written consent of the Client.

Article 10: Intellectual property

All reports, working papers, and deliverables shall be the property of the Client.

Article 11: Termination

Either party may terminate this Contract by giving thirty (30) days' written notice to the other party. In case of termination, the Consultant shall be paid for services satisfactorily performed up to the date of termination.

Article 12: Dispute Resolution

Any dispute arising out of this Contract shall be resolved through mutual consultation. If unresolved, disputes shall be referred to arbitration in accordance with the Arbitration Act 1940.

Article 13: Governing Law

This Contract shall be governed by the laws of Pakistan.

Article 14: Notices

All notices shall be in writing and delivered to the following addresses:

For Client:

Managing Director, PIPOS
Phase 5 Hayatabad Peshawar
Email: Info@pilos.gkp.pk

For Consultant:

[Name and Designation]
[Complete Address]
Email: [Insert]

Article 15: Entire Agreement

This contract, including all appendices, constitutes the entire agreement between the parties and supersedes all prior negotiations and agreements.

IN WITNESS WHEREOF, the parties have executed this Contract on the date first written above.

FOR THE CLIENT:

Signature : _____

Name : _____

Designation: Managing Director, PIPOS

Date : _____

FOR THE CONSULTANT:

Signature : _____

Name : _____

Designation : _____

Date : _____

WITNESSES:

1. Name : _____ Signature: _____

2. Name : _____ Signature: _____

APPENDICES TO CONTRACT

Appendix-A: Terms of Reference

[Attach full TOR from Section 6]

Appendix-B: Description of Services

[Attach relevant sections from Consultant's accepted Technical Proposal]

Appendix-C: Reporting Requirements

[As specified in TOR Section 5: Deliverables]

Appendix-D: Cost Breakdown

[Attach Consultant's accepted Financial Proposal - Appendix-B from Section 5]

Appendix-E: Key Personnel

[List of key personnel with CVs as per accepted Technical Proposal]

Appendix-F: Time Schedule

[Work plan and timeline as per accepted Technical Proposal]

SPECIAL CONDITIONS OF CONTRACT

SC 1: Currency of payment

All payments shall be made in Pakistani Rupees (PK Rs).

SC 2: Taxes

The Client shall deduct applicable taxes at source as per Government of Pakistan rules.

SC 3: Audit standards

The Consultant shall conduct the audit in accordance with International Standards on Auditing (ISA) and applicable Pakistani regulations.

SC 4: Quality assurance

All audit reports shall be subject to quality review by the Quality Review Partner before submission.

SC 5: Extension

The contract period may be extended by mutual written agreement if required due to unforeseen circumstances.

SC 6: Insurance

The Consultant shall maintain professional liability insurance during the contract period.

SC 7: Office facilities

The Client may provide workspace at PIPOS premises for the audit team, subject to availability.

SC 8: Language

All reports and correspondence shall be in English.

SC 9: Ownership of documents

Upon completion of the assignment, the Consultant shall hand over all working papers and documents to the Client.

SC 10: Conflict of Interest

The Consultant declares that there is no conflict of interest in performing this assignment and that no previous engagement compromises independence.