

SHORTLISTING DOCUMENT

INTERNAL AUDIT

UNDER

PUNJAB TOURISM FOR ECONOMIC GROWTH PROJECT (PTEGP)

**PROJECT DIRECTOR
PUNJAB TOURISM FOR ECONOMIC GROWTH PROJECT (PTEGP)
175-A, UPPER MALL SCHEME LAHORE
PH: 042-99332607-8
[HTTP://PTEGP.PUNJAB.GOV.PK](http://PTEGP.PUNJAB.GOV.PK)**



GOVERNMENT OF THE PUNJAB
PLANNING & DEVELOPMENT BOARD
PUNJAB TOURISM FOR ECONOMIC
GROWTH PROJECT

EXPRESSION OF INTEREST
(CONSULTANCY SERVICES-FIRM SELECTION)

Government of Punjab, Planning & Development Board in collaboration with World Bank Group is implementing Punjab Tourism for Economic Growth Project. The project aims to promote tourism sector by strengthening the institutional capacity through better skills development, increase private sector participation and improve infrastructure services in support of the tourism sector in the province of Punjab. For this purpose, PTEGP invites sealed expression of interest from the eligible firms for the assignment of “**Internal Audit**” under the project.

2. 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.

3. The advertisement and detailed EOI may be browsed online from websites i.e: www.ppra.punjab.gov.pk, www.ptegp.punjab.gov.pk and www.pndpunjab.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 18.03.2019.**

Project Director
Punjab Tourism for Economic Growth Project (PTEGP)
175-A, Upper Mall Scheme Lahore
Ph: 042-99332607-8
<http://ptegp.punjab.gov.pk>

Terms of Reference

Internal Audit Firm

The Government of Punjab (GoPb) has received a credit from the International Development Association and intends to apply part of the proceeds to engage a reputable firm of Chartered Accountants to act as internal auditors of Punjab Tourism for Economic Growth Project (hereinafter the Project).

I. Brief description of the Project:

1. The PTEGP, a five year project closing on April 30, 2023, would assist the Government of Punjab (GoPb) in its 5- Year Medium Term Growth Framework which is aimed to optimally exploit the potentials of Recreational, Adventure, Cultural, Historical and Heritage Tourism. A good tourism program can contribute towards economic growth through creation of jobs, foreign exchange earnings, opening up trade, knowledge sharing, regional development and much needed portrayal of a soft image for Pakistan. The Project's activities will be implemented by the Punjab Tourism for Economic Growth Project (PTEGP) under GoPb Planning & Development Department (P&DD) and support from other entities, including TDCP under the Tourism Department, the Archaeology Department, the Information & Cultural Department, and the Communication & Works department; and the Evacuee Trust Property Board (ETPB) and the federal level.
2. The total estimated cost is US Dollars 55 million of which US Dollars 50 will be financed under IDA Credit of the World Bank and US Dollars 5 million will be the counterpart funding from GoPb.

II. Objectives of the Project:

3. To support the Government of Punjab in implementing a cultural, heritage and tourism policy supported by comprehensive institutional reforms for effective implementation framework.
4. Leverage private sector's potential to create new economic opportunities for job creation, revenue generation, innovation, entrepreneurship and production efficiency increase.
5. To promote an environment of pluralism and tolerance in the Province through a raised awareness of a varied culture and heritage.

III. Objective of the engagement

The objective of this engagement is to conduct internal audit of the funds and resources provided under the IDA Credit and funds contributed by Government of Punjab for the implementation and in achieving Project Development Objectives of PTEGP, managed by the PTEGP. The Project accounting records are maintained using the Financial Accounting and Budgeting System (FASB) in accordance with the country accounting procedures and policies defined in New Accounting Model (NAM) developed under PIFRA project. The PMT maintain: (i) a bank book; (ii) a budget control and expenditure register; (iii) a fixed assets register; and (iv) SAP generated monthly Budget expenditure reports.

Scope of Services

6. The scope of internal audit is not limited to verifying financial transactions, but also covers examination and evaluation of ; internal control effectiveness; organization's governance, risk management process, and operational aspects of the project implementation, providing an assessment of performance with recommendations for corrective actions. The scope of internal audit services would inter-alia includes

Financial Control and Accounting

- i. Review receipts of IDA funds in the Designated Account (DA) maintained and operated by the PTEGP are properly supported with Withdrawal Application(s) duly completed as per the World Bank Disbursement guidelines.
- ii. Review that payments from the DA are for specific to the Project implementation. Ensure all payments to suppliers/vendors/consultants and for meeting operational expenses, if any, are must have been paid through 'Cross Cheque – A/c Payee Only' and on timely basis and through courier.
- iii. Verify payments are properly approved and supported with documentation, and are for implementing Project activities.
- iv. Review related accounting transaction(s) are appropriately classified and recorded in the relevant accounting head of account, maintained by the PMT-PTEGP.
- v. Review monthly bank reconciliation statement is properly prepared and is agreement with DA bank statement and DA bank book.
- vi. Ensure that at the close of month DA bank book is signed by the authorized persons preferably Project FMS and Project Director.
- vii. Advise on matters regarding financial control and accounting.

Financial Reporting

- viii. Ensure that the semi-annual Interim Financial Reports (IFRs) are prepared by the Project FMS are on the approved format attached to the Disbursement Letter of the Bank are submitted within forty-five (45) days of the close of each semester.
- ix. Review financial data reported in the semi-annual Interim Financial Reports (IFRs) are in agreement with the books of account and in agreement with the DA bank book.
- x. Ascertain reasons for overdue suppliers and vendors bills. Amounts of outstanding against suppliers/vendors bills for which services have been provided by them; must also be reported as a note to the IFRs.

Planning and Budgetary Controls

- xi. Ascertain Project annual budget is prepared and approved by the competent authority(s). Ensure annual budget is in line with the Project approved five years Mid-term budgetary framework/ Project PC-1.
- xii. Review appropriate comparison of budgeted and actual expenditure is done on monthly basis and proper explanations are given for significant variances.
- xiii. Ascertain the annual financial plan is appropriately linked to procurement and other activities specified in the Project.
- xiv. Advise on matters regarding planning and budgetary control.

Procurement

- xv. Review that risk mitigation measures are in place for acceptable implementation arrangements for smooth execution of the Project and achievement of Project objectives.

- xvi. Review that procurement activities are processed as per the Bank's approved Procurement Plan. Ensure that Bank's procurement planning tool – Caliper is being updated regularly.
- xvii. Review that Project Procurement designated officials are being involved at all stages of procurement of goods and services under the Project, to ensure compliance with IDA Procurement Guidelines. (Contract Management: is a joint responsibility of technical and Procurement and Financial Management teams. All concerned staff should work together in their respective roles for achieving the overall desired results.)
- xviii. Monitors compliance with the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers January 2011 (revised July 2014)"; "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers January 2011 revised (July 2014)", and the provisions stipulated in the Financing/Loan Agreement and comments on the non-compliance, if any, observed during the audit period.
- xix. Advisory to improve procurement process efficiency.

Verification of Project Assets

- xx. Verify of all assets of the Project on annual basis and agree their existence with fixed assets register.
- xxi. Ascertain that proper codification and tagging of the Project assets have been done to adequately safeguard them from mis-appropriation.
- xxii. Ascertain that assets are being used for the intended purposes.
- xxiii. Review costs of assets are reasonable.
- xxiv. Ascertain that adequate insurance cover, if applicable, has been obtained for project vehicle(s).

Other Procedures to be performed

- xxv. Monitoring and evaluating the effectiveness of Project's Risk Management and Governance Systems. Ensure that monitoring activities is done at three levels i.e. by the Departments respective Secretaries and the Project Steering Committee.
- xxvi. Review that Project activities are in compliance with the existing country's laws including tax laws and Sales Tax on Goods and Services; Project Legal Agreements including Bank's guidelines (dated January 2011) on Prevention and Combating Fraud and Corruption in Bank Financed Projects are being followed among other contractual agreements.
- xxvii. Internal audit team may visit implementing entities to assess Project implementation progress.
- xxviii. Conduct staff interviews among other internal audit processes.
- xxix. Liaison with the external auditor during their audit work to ensure adequate audit coverage and to minimize duplication of effort.

Audit Planning

Developing Bi-annual Internal audit plan using an appropriate risk-based methodology, including any risk or control concerns identified by management, the external auditors, or the steering committee and will submit the plan to the Project Director for review and approval.

Executing the Bi-annual internal audit plan, as approved and revised, from time to time.

Reporting

The Internal Auditor is expected to provide the following deliverables as per defined frequencies and reporting lines:

1. Provide Bi-annual Internal Audit Plan to Project Director PTEGP within one month of contract effectiveness
2. Provide tentative schedule to Project Director PTEGP of field work and carrying out bi-annual internal audit exercise in accordance with the timelines agreed in internal audit plan;
3. Submit draft internal audit report to Project Director within 20 days of completion of field work for review and management comments. The Project shall respond to audit observations within a period of 20 days of its receipt.
4. Finalization of Internal Audit Report and its submission to Project Director within 15 days of receipt of management replies.
5. Project Director shall disseminate the final internal audit report to all members of steering committee and raise request for holding steering committee meeting within 20 days of receipt of such audit report.
6. Internal auditor shall present the internal audit report to the steering committee.
7. The internal auditor is also expected to follow-up of status of previous observations and compliance over recommendations through a mid-period follow up report after interacting with PTEGP management.

The internal auditor shall provide an electronic copy and three (03) hard copies of the each deliverable to the respective recipient.

8. Internal audit firm shall submit a Bi-annual internal audit report as per above mentioned procedure.
9. The final report will be distributed as appropriate; a copy of each report will be forwarded to the Secretary P&D through Project Director, PTEGP and the Bank within the time frame. The report shall also indicate as separate section showing action taken on the last internal audit report agreed upon action.

Audit Red Flags

Internal Audit Firm must report immediately, any evidence of fraud or other similar illicit activities like embezzlement and misappropriation which may come to their notice during the course of assignment, to the respective Department Secretary and to the World Bank.

Time period for internal audit services

The duration of services of Internal Audit firm shall be from the date of contract to April 30, 2013.

Confidentiality

Audit files comprising of audit reports, working papers and correspondence related to follow-up on corrective action, are confidential in nature. The internal audit firm shall ensure that they are

responsible to ensure to make effective measures for maintaining confidentiality in all matters related to the Project. The firm shall share internal audit working papers with the Project Director in case of need.

Method

Least Cost Based Selection of Consultant as defined in the World Bank guidelines 2011, revised in 2014.

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 9-10 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 shortlisting and procedure laid down in the World Bank guidelines 2011 revised in 2014 under Least Cost Based Selection. However, 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 shortlisted firm at later stage. Expressions of interest must be delivered by hand or dispatched by post at the address given by 03:00 PM in our office on or before 18.03.2019.

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