

**HIRING OF EXTERNAL AUDIT FIRM  
TERMS OF REFERENCE (TORS)**

**WATER AND SANITATION SERVICES COMPANY KOHAT**

**House No 14, Sector No. 04, KDA Kohat**

**Ph: 0922-514061-62-63**

## **1. Introduction**

**Water and Sanitation Services Company Kohat (WSSC KOHAT)** has been established by Government of Khyber Pakhtunkhwa and formally registered under section 42 Companies Act 2017 on 25 April 2015 as a Public Limited by Guarantee and not having a share capital. WSSC Kohat has been formed to act as a private sector limb of the local Government & Rural Development Department. The Company is being managed by a board of Directors, having representation from Public & Private Sectors where all policy & strategic decisions are taken through transparent mechanism.

## **2. Objective of Company**

WSSC Kohat has been designed to provide aggregated, corporatized and modern water and sanitation utility, ensuring unremitting water, sanitation and solid waste management service for the residents of 6 Urban Councils including KDA in city of Kohat.

## **3. Service and Assets Management Agreement (SAMA)**

WSSC Kohat has entered in Services and Assets Management Agreement (SAMA) on 25<sup>th</sup> January 2017 with following two entities.

- **Tehsil Municipal Administration Kohat (TMA).**
- **Kohat Development Authority (KDA).**

WSSC KOHAT has taken over water supply & sanitation services in their area of jurisdiction, along with staff, equipment, machinery and infrastructure related to these services.

## **4. Financial Arrangement and Structure of WSSC KOHAT**

This financial Arrangement is an integral part of Services and Assets Management Agreement (SAMA) for WSSC Kohat. TMA & KDA will provide budget as per SAMA agreement each year starting from signing date of SAMA on account of Operational Cost of WSSC KOHAT. While KP Government also provide Grant in Aid to WSSC Kohat each year for establishment expenditures.

In addition to operational financial support, Government of Khyber Pakhtunkhwa is also providing Annual Development Funds to WSSC Kohat. Further, all the revenues accruing from the services transferred to WSSC Kohat shall be recovered and retained by WSSC Kohat.

## **5. CALL FOR TECHNICAL AND FINANCIAL PROPOSALS**

Water and Sanitation Services Kohat invites sealed proposals from chartered Accountant audit firms for engagement as External Auditor to conduct external audit of WSSC Kohat as required under Companies Act 2017.

## **6. OBJECTIVES OF THE CALL**

The engagement of external auditors is a statutory requirement of the Companies Act 2017. Under section 252 of the said Act, every company shall at each annual general meeting (AGM) appoint an

auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting. The Board of Directors of WSSC Kohat had decided to take fresh bids /quotations to hire services of a reputable Chartered Accountant Firm for External Audit of the company for the year ending 30 June 2021.

## **7. SCOPE OF AUDIT**

Scope of Audit is as laid down by Section 255 & 257 of Companies Act 2017.

## **8. ELIGIBILITY CRITERIA**

The Chartered Accounting Firm is required to fulfill the following criteria in addition to the provisions as laid down by Section 254 of Companies Act 2017.

- Registered with Institute of Chartered Accountants of Pakistan (ICAP)
- Satisfactory QCR rating from institute of Chartered Accounts of Pakistan.
- At least one office in Peshawar.
- Firm should have experience of at least five years with same size organizations preferably experience to work with Government / Semi government organization /Autonomous bodies.
- Income Tax and GST KPRA (If Applicable registered company).

## **9. TECHNICAL PROPOSAL**

**Technical proposal should contain following and any additional information**

- Corporate profile, full name of the firm, number of partners, permanent addresses and evidence of formation preferably in the form of partnership deed.
- Registration with Institute of Chartered Accountant firms.
- Satisfactory QCR rating from institute of Chartered accounts of Pakistan.
- Information about infrastructure of the firm including details of offices /branches at least one office in Peshawar with list of staff strength
- Firm Should have minimum experience of at least five years with same size organizations preferably experience to work with Government / Semi government organizations/ Autonomous bodies.
- Structure of the firm with list of all key personal (partners, directors, senior managers etc.)
- Annual Financial statements for the last five years.
- Income Tax and GST, KPRA (if applicable ) registered company
- Undertaking that the firm is not blacklisted by any of Provincial or Federal Government Department, Agency, Organization or Autonomous body or Private Sector Organization anywhere in Pakistan.

## 10. FINANCIAL PROPOSAL

- The Firms are required to yearly fee on Lump sum basis in Financial Proposal. The Financial proposal must be submitted in a separate sealed envelope on letterheads, indicating the name of the firm. Yearly lump sum fee quoted should be Pak. Rupees inclusive of all applicable taxes such as GST, Income Tax, etc. If not specifically mentioned in the Quotation, it will be presumed that the prices include all taxes. WSSC Kohat will also not be responsible for any change in Tax regime subsequently.

## 11. TECHNICAL EVALUATION CRITERIA

The proposal will be evaluated and considered in accordance with the technical proposal as well as Financial Proposal on the basis as defined in Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause 23 (b). Criteria to be used for the selection of the firm are given in below table.

Sr.No.	Technical Evaluation Criteria	Marks
<b>1.</b>	<b>Registration &amp; Affiliation</b>	
	QCR Rating	40
<b>2.</b>	<b>Experience as on June 30,2020</b>	
	21 and Above Years	30
	11 To 20 years	25
	6 To 10 years	20
	05 years	15

Sr.No.	Technical Evaluation Criteria	Marks
<b>3.</b>	<b>List of Public Sector Clients</b>	
	More than 10 Clients	30
	9 To 10 Clients	25
	6 To 8 Clients	20
	05 Clients	15
	<b>Total</b>	<b>100</b>
	<b>Qualifying Marks 60%</b>	

**Note:** 60% weightage will be provided to the Technical proposal and 40% weightage will be provided to the financial proposal as per QCBS method as defined in Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause23(b).

## 12. TERMS & CONDITIONS

- WSSC Kohat invites proposals in sealed envelope (Single Package containing two separate sealed envelopes which shall be marked separately as “TECHNICAL PROPOSAL” And “FINANCIAL PROPOSAL”
- The envelope should be marked as “TECHNICAL PROPOSAL” And “FINANCIAL PROPOSAL” In bold and legible letters.
- Participating Firms must submit the bids that comply with these TORs and bidding documents. If any terms or condition of the participating firm contradicts/conflicts with the KPPRA Rules & WSSC Kohat terms and conditions, the terms and conditions of KPPRA Rules will prevail.
- No Proposal /bid will be accepted after the due date and time.
- The proposal /bid should be valid for two (2) months period.
- Bidders who fail to complete and attach all relevant documents will be disqualified
- No tender document will be accepted if not properly sealed and marked;
- The WSSC Kohat will enter into a formal contract with the successful bidder
- Firms presenting information intentionally incorrect or fraudulent will be disqualified
- WSSC Kohat will not be responsible for any cost or expense incurred by bidders in connection with preparation or delivery of bids.
- Proposals /Bids received through any other mode /addressed to any other person will not be entertained.
- Any change of information provided in the tender document that may affect delivery of services should be brought to the WSSC Kohat attention as soon as possible. Failure to comply may result in the contract being terminated
- Although adequate thought has been given in the drafting of this document, errors omission if any may be subject rectification.

**WATER AND SANITATION SERVICES COMPANY KOHAT**

**GOVERNMENT OF KHYBER PAKHTUNKHWA**

**Registered under section of 42 of Companies Act 2017**

**EXPRESSION OF INTEREST FOR HIRING OF EXTERNAL AUDIT FIRM**

Water and Sanitation Services Kohat (WSSC Kohat) has been established by government of Khyber Pakhtunkhwa and formally registered under Section 42 of Companies Act 2017. WSSC Kohat invites Expressions of Interest from auditing firms (chartered accountants). The firm should also fulfill the following additional requirements.

- ❖ Registered with Institute of Chartered Accountants of Pakistan (ICAP).
- ❖ Satisfactory QCR rating from institute of Chartered Accounts of Pakistan.
- ❖ At least one office in Peshawar.
- ❖ Firm Should have experience of at least five years with same size organization preferably experience to work with Government /Semi government organizations/Autonomous bodies.
- ❖ Income Tax, GST and KPRA (if applicable) registered company
- ❖ Late, incomplete or conditional applications will not be entertained.

Interested firms who qualify as per the criteria mentioned above may submit their response latest by close of Business on Date: 22/10/2020 only shortlisted firms will be called / selected for submission of detailed technical and financial proposals.

Detailed Terms of Reference (TORs) including evaluation criteria can be obtained from the office of the undersigned along with written application.

**GOVERNMENT OF KHYBER PUKHTUNKHWA  
(WATER AND SANITATION SERVICES COMPANY KOHAT)**

**TERMS OF REFERENCE  
FOR  
HIRING OF EXTERNAL AUDIT FIRM**

## **Disclaimer**

**Though adequate care has been taken while preparing this document and information provided therein, but it is advised that the bidder must satisfy himself for the corrections and sufficiency of the Data. Information on any discrepancy should be intimated to this office immediately. If no information is received from any of the bidders within the time of submission date, it shall be presumed that this document is correct and complete in all respects. If considered necessary in the interest of work / public, Water & Sanitation Services Company Kohat.**



# TORS for Hiring of External Audit Firm

## **Introduction**

Government of Khyber Pakhtunkhwa (GoKP) as per its commitment to the Public, is striving to deliver the basic services to the best possible level. Accordingly, Water and Sanitation Services Company Kohat was established in 2015 under the then Companies Ordinance 1984, aiming to transform the solid waste management, sanitation and water supply related services in Kohat. The Government of Khyber Pakhtunkhwa provide financial support in annual budget in the shape of grant in aid while a small portion is recovered from the consumers as utility charges. WSSC Kohat, invites financial and technical proposals from reputed Chartered Accountant firms registered in QCR.

## **INVITATION FOR TECHNICAL AND FINANCIAL PROPOSALS**

Water and Sanitation Services invites sealed proposals from Chartered Accountants Audit firms for engagement as an External Auditor to conduct external audit of WATER AND SANITATION SERVICES COMPANY KOHAT as required under the provisions of the Companies Act 2017 for the Financial Year 2020-21 under single stage two envelop methodology of the KPPRA Rules 2014.

## **OBJECTIVES OF THE ASSIGNMENT**

The engagement of external auditors is a statutory requirement of the Companies Act 2017, Requiring inter alia under its relevant sections that every company shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting. The Board of Directors of WATER AND SANITATION SERVICES COMPANY KOHAT had decided to follow competitive process to hire services of a reputable Chartered Accountant Firm for External Audit of the company for the year ending 30 June 2021.

## **SCOPE OF AUDIT**

The scope of audit is as laid down under the provisions of the Companies Act 2017.

## **ELIGIBILITY CRITERIA**

The Chartered Accountants firm is required to fulfill the following criteria in addition to the provisions as laid down by Companies Act 2017.

- Registered with Institute of Chartered Accountants of Pakistan (ICAP)
- Satisfactory QCR rating from institute of Chartered Accounts of Pakistan.
- At least one office in Peshawar

- Firm should have experience of at least five years with same size organizations preferably experience to work with Section 42 Companies, Government / Semi government organization /Autonomous bodies.
- Income Tax, GST and KPRA Provincial Revenue Authority (if Applicable) registered company.
- Must have minimum two professionals / employees having relevant qualification on their payroll
- Provide undertaking that no litigation is in process with Public Sector entities or provide complete details of such litigations.
- The bidder shall attach relevant documents or certificate to validate their eligibility vis-à-vis above requirements.
- The bidder shall provide an undertaking (on Stamp paper) that the bidder has not been declared black listed by any Governmental / Semi Governmental institutions
- Bidders not fulfilling the above eligibility criteria will not be considered for further technical evaluation.

## **TECHNICAL PROPOSAL**

### **Technical proposal should contain following and any additional information**

- Technical Proposals to be submitted by the applicants shall be in compliance with the requirements laid down in the scope of work. The Technical proposal shall be clearly marked as **“TECHNICAL PROPOSAL”** and placed in Sealed Envelope.
- The technical proposal should include; corporate profile, full name of the firm, number of partners, permanent addresses and evidence of formation preferably in the form of partnership deed.
- Registration with Institute of Chartered Accountant firms.
- Satisfactory QCR rating from institute of Chartered accounts of Pakistan
- Information about infrastructure of the firm including details of offices /branches at least one office in Peshawar.
- Firm Should have minimum experience of at least five years with same size organizations preferably experience to work with Government / Semi government organizations/ Autonomous bodies Companies formed under Section 42.
- Structure of the firm with list of all key personal (partners, directors, senior managers etc.)
- Annual Financial statements for the last five years.
- Income Tax, GST and KP Provincial Sales Tax (if applicable ) registered company
- Undertaking that the firm is not blacklisted by any of Provincial or Federal Government Department, Agency, Organization or Autonomous body or Private Sector Organization anywhere in Pakistan.

## **10. FINANCIAL PROPOSAL**

- The Firms are required to yearly fee on Lump sum basis in Financial Proposal.

- The Financial proposal must be submitted in a separate sealed envelope Marked **FINANCIAL PROPOSAL**, on letterheads, indicating the name of the firm.
- Yearly lump sum fee quoted should be Pak. Rupees inclusive of all applicable taxes such as GST, Income Tax, etc. If not specifically mentioned in the Quotation, it will be presumed that the prices include all taxes. WATER AND SANITATION SERVICES COMPANY KOHAT will also not be responsible for any change in Tax regime subsequently.

## 11. TECHNICAL EVALUATION CRITERIA

The proposal will be evaluated and considered in accordance with the technical proposal as well as Financial Proposal on the basis as defined in Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause 23 (b). Criteria to be used for the selection of the firm are given in below table.

Sr.No.	Technical Evaluation Criteria	Marks
<b>1.</b>	<b>Registration &amp; Affiliation</b>	
	QCR Rating	40
<b>2.</b>	<b>Experience as on June 30,2018</b>	
	21 and Above Years	30
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	6 To 10 years	20
	05 years	15

Sr.No.	Technical Evaluation Criteria	Marks
<b>3.</b>	<b>List of Public Sector Clients</b>	
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	<b>Total</b>	<b>100</b>
	<b>Qualifying Marks 60%</b>	

**Note:** 60% weightage will be provided to the Technical proposal and 40% weightage will be provided to the financial proposal as per Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause23(b).

## 12. TERMS & CONDITIONS

- WATER AND SANITATION SERVICES COMPANY KOHAT invites proposals in sealed envelope (Single Package containing two separate sealed envelopes which shall be marked separately as “TECHNICAL PROPOSAL” And “FINANCIAL PROPOSAL”
- The envelope should be marked as “TECHNICAL PROPOSAL” And “FINANCIAL PROPOSAL” In bold and legible letters.
- Participating Firms must submit the bids that comply with these TORs and bidding documents. If any terms or condition of the participating firm contradicts/conflicts with the KPPPRA Rules & WATER AND SANITATION SERVICES COMPANY KOHAT terms and conditions, the terms and conditions of KPPPRA Rules will prevail.
- No Proposal /bid will be accepted after the due date and time.
- The proposal /bid should be valid for two (2) months period.
- Bidders who fail to complete and attach all relevant documents will be disqualified
- No tender document will be accepted if not properly sealed and marked ;
- The WATER AND SANITATION SERVICES COMPANY KOHAT will enter into a formal contract with the successful bidder
- Firms presenting information intentionally incorrect or fraudulent will be disqualified
- WATER AND SANITATION SERVICES COMPANY KOHAT will not be responsible for any cost or expense incurred by bidders in connection with preparation or delivery of bids.
- Proposals /Bids received through any other mode /addressed to any other person will not be entertained.
- Any change of information provided in the tender document that may affect delivery of services should be brought to the WATER AND SANITATION SERVICES COMPANY KOHAT’s attention as soon as possible. Failure to comply may result in the contract being terminated.
- Although adequate thought has been given in the drafting of this document, errors omission if any may be subject rectification.

Authorized Signature with Stamp

**Affidavit**

**As owner of M/s**

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**I/We accept the terms and conditions as laid down in TORs and in advertisement notice.**

I/We shall also observe all the rules/regulations framed by Government of the Khyber Pakhtunkhwa regarding providing Provision of Consultancy Services and Bid by all such rules.

I/ We shall provide consultancy services required by the appointing agency (WATER AND SANITATION SERVICES COMPANY KOHAT).

**SIGNATURE**

**WITH STAMP OF THE FIRM**

**Date:** \_\_\_\_\_

**FIRM's PROFILE**

<b>Company Name:</b>	
<b>Address of Office:</b>	
<b>Name of Contact Person:</b>	
<b>Mobile #</b>	
<b>Telephone No: (Office)</b>	
<b>NTN No:</b>	
<b>QCR Rating</b>	
<b>Years of Experience:</b>	
<b>No. of Clients</b>	

**Authorized Signature:** \_\_\_\_\_

**Name & Designation :** \_\_\_\_\_

**Company Seal :** \_\_\_\_\_

## Guidelines

1. There must not be any conflict of interest i.e. Firm must not be providing services to any other person/entity in conflict with WATER AND SANITATION SERVICES COMPANY KOHAT so as to cause any sort of conflict of interest.
2. Contract period will be for one year.
3. All direct & indirect taxes will be deducted in accordance with the provisions of Government Rules amended time to time.
4. Successful firm will sign a service contract and will provide the agreed services within the stipulated agreed time. If the bidder completely fails to provide the services a week after prescribed period of service delivery and didn't comply with the reminders, the case of Firm may be put to relevant authorities to declare as "Black Listed".
5. Payment of audit services will be made on the satisfactory completion of the services.
6. The firm must response efficiently for providing the services timely.
7. The WATER AND SANITATION SERVICES COMPANY KOHAT reserves the right to give multiple consultancy assignments at a time during contract period.
8. In case of any dispute regarding services; the decision of the WATER AND SANITATION SERVICES COMPANY KOHAT shall be final & binding.
9. Only applicants fulfilling the eligibility criteria will be considered for technical and financial proposals. The financial proposal of technically qualified firm will be opened for further evaluation.
10. All documents and information received by WATER AND SANITATION SERVICES COMPANY KOHAT from applicants will be treated in strictest confidence.
11. Documents submitted to WATER AND SANITATION SERVICES COMPANY KOHAT will not be returned.
12. All expenses related to participation in this tender document shall be borne by the applicants.
13. Documents shall be submitted in a separate sealed envelope marked as "**TECHNICAL PROPOSAL**" and "**FINANCIAL PROPOSAL**" as hard copy in a sealed envelope for '**Hiring of External Audit (CA) Firm**'. The envelope containing hard copy of technical proposal and hard copy of financial proposal shall be received on the postal address given below.
14. The closing date and time for receipt of technical proposal and financial proposal is as mentioned in EOI and will be publicly opened on same day in the conference room of WATER AND SANITATION SERVICES COMPANY KOHAT in the presence of the interested firms or their representatives who may wish to attend.
15. Technical and financial proposals received thereafter will not be accepted.

16. WATER AND SANITATION SERVICES COMPANY KOHAT reserves the right to request submission of additional information from applicants in order to clarify/further understand aspects of technical proposal, if required.
17. WATER AND SANITATION SERVICES COMPANY KOHAT reserves the right to verify any information provided by the applicants.
18. Offers/Questions about this technical proposal can be made only in writing: a letter or an email and must be asked before closing date. For any other related information please contact undersigned.

**Contract Agreement.**

The Contract agreement will be signed with lowest successful bidder, the contents shall be framed for this Contract agreement mutually.

**Declaration:**

Kindly provide the declaration as per format provided below at the end of proposal. I,  
\_\_\_\_\_ hereby declare that:

all the information provided in the technical proposal is correct in all manners and respects.

and I am duly authorized by the Governing body/ Board/ Management to submit this proposal on behalf of \_\_\_\_\_



**OFFICE OF THE CHIEF EXECUTIVE OFFICER  
WATER & SANITATION SERVICE COMPANY, KOHAT  
HOUSE # 14, SECTOR 4, KOTAL TOWNSHIP (KDA), KOHAT  
Ph# 0922-514061-3**